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General

Commentary Views U.S. Support for Yeltsin

HK0104144793 Hong Kong LIAOWANG OVERSEAS
EDITION in Chinese No 13, 29 Mar 93 p 25

["International Commentary" by Wei Guoqiang (7614 0948 1730): "Aid From the West for Russia As Viewed From U.S. Support for Yeltsin"]

[Text] After Russian President Boris Yeltsin declared "a special order of rule" throughout the country on 24 March, U.S. President Bill Clinton issued a statement that very day, expressing his support for Yeltsin and that he expected to meet him in Vancouver, Canada, in early April. This extraordinary move by Yeltsin caused a great shock at home, and the world community also followed it with interest. Clinton's response was a reflection of the main U.S. consideration on policy toward Russia.

In his prudently worded statement, Clinton said: "The United States supports the historic move taken by Russia toward democracy and the free market" and Yeltsin is "the leader of this process." This shows that Clinton put the fate of Russia and U.S.-Russian relations upon Yeltsin from strategic considerations. In the eyes of the United States, Yeltsin is the representative of the U.S.-supported reform forces and the forces opposing him are gradually growing in strength. Thus, in the Russian situation, which has become more turbulent and unstable, there is the latent danger of a further split or civil war. Russia remains a country with a large population and nuclear weapons which are well matched with those of the United States. If the Russian situation further deteriorates, or if the abovementioned two latent dangers become a reality, a situation may occur in which the factions against Yeltsin will be in power and there will be a great influx of immigrants into the West, and a large outflow of nuclear weapons to other countries will take place. All these will jeopardize U.S. global strategic interests. U.S. Secretary of Defense Les Aspin recently declared: If a change of political power takes place in Russia, the United State will reconsider its plan for defense spending cuts. This is a clear revelation of the U.S. basic intent to support Yeltsin. It is needed not only from political and moral considerations but, more importantly, it is also needed for U.S. strategic interests.

It has been reported that the most important topic of discussion at the scheduled U.S.-Russian Summit in Vancouver will be how to support and assist Russia's economic reform through concrete action. Currently, industrial and agricultural production in Russia has dropped drastically, while prices are shooting up like a balloon with a broken string, and, because the people's basic livelihood is insecure, complaints are being heard everywhere. Yeltsin believed that only when Western countries provided financial and material assistance in large quantities could Russia tide over its economic difficulties, make a success of reform, and secure his position. Therefore, he has repeatedly appealed to

Western countries, in particular the United States, to really lend a helping hand. He all the more hopes that Clinton can bring "generous gifts" along with him to the meeting to give him practical support. It must be said that Russia's economic situation and Yeltsin's own difficult position have long aroused the deep concern of Western countries, particularly the United States. They unanimously agreed to provide more assistance as far as they could. In the middle 10 days of March, senior officials from the Group of Seven [G-7] countries held a meeting in Hong Kong to discuss the issue of providing Russia with emergent assistance. Following that, French President Francois Mitterrand suggested holding a special G-7 summit to discuss the issue of assistance for Russia and then he made a special trip to Russia to meet Yeltsin to discuss the assistance issue. British Prime Minister John Major also appealed for action on the assist-Russia issue. Apart from Clinton, more and more influential persons in the United States have called for assistance to Russia as soon as possible. Nevertheless, to date, while talking about giving assistance to Russia, every Western country out of its own considerations, has hoped that others will contribute more money than it is ready to give. In fact, they are all paying lip service. At present, although Clinton has spoken loudly on the issue of assisting Russia, as is expected, he similarly also will not help Russia generously with money and, at best, will give it a very small sum of money as "a favor." Obviously, this is not enough for the Russian economy, which has long yearned for lifesaving water, nor for Yeltsin himself. It must be said that, in a certain sense, Clinton is unable to do what he very much wants to do, because: The U.S. economy is not in good shape; the financial deficit has been rising annually; the jobless rate remains high; the Clinton administration is taking measures to deeply cut the financial deficit and is no longer able to allocate a large sum of money to assist Russia; and, moreover, the Russian situation has made U.S. private investors flinch. On the other hand, in the United States, the forces opposing assistance in large quantities to Russia are very powerful. They maintain: Russia's economy is a bottomless pit and it will take several billion, and even tens of billions, of U.S. dollars to rescue the economy. Even though the United States spends several billions of dollars assisting Russia, this is like throwing a small stone into a big pond, merely causing small ripples on the surface of the pond. As such, it is better to give Russia appropriate technical assistance so that it can survive and make reforms by relying on its own strength. Some people even contend: Because the Russian situation is unstable, if the United States still gives enormous assistance to Russian to change its economy, and if a change of political power detrimental to the United States should occur, would not that mean that the United States was asking for trouble for itself? Therefore, they advise Clinton to think twice before taking any action on assisting Russia. Clinton has to take all this into account.

On 20 March, after Yeltsin had taken extraordinary measures, various domestic forces in Russia reacted

strongly and thus the political situation became more complicated and confusing. One account said: Although Clinton expressed hope that the summit meeting would be held as scheduled, U.S. public opinion makers had focused their comments more on the meeting's prospects. In spite of this, from the abovementioned analysis, one can see that even if the current summit meeting is held as scheduled, the effort to propagate the atmosphere of close bilateral cooperation will be greater than the one to resolve Russia's practical problems. Out of its own interests, the U.S. support for Yeltsin will be, above all, political and moral rather than material.

'Roundup' Views U.S.-Russian Summit Meeting

OW0204104393 Beijing XINHUA in English 1026
GMT 2 Apr 93

["Roundup": "Summit With Clinton Amidst Crisis"]

[Text] Moscow, April 2 (XINHUA)—Russian President Boris Yeltsin is leaving here Friday [2 April] night for the Canadian city of Vancouver to meet U.S. President Bill Clinton for their first summit, which will focus on U.S. aid for Russia.

Analysts here said that both Moscow and Washington are expecting that the two-day summit of April 3-4 would not only enhance bilateral relations but also—in what is more important—help guide Russia's political situation to where both sides are interested to see.

The meeting is called at a moment when the power struggle between Yeltsin and the Russian parliament is in a crucial stage.

When Yeltsin announced special presidential rule by decree on March 20 pending a referendum on April 25, the parliament accused him in no time of attempting dictatorship. Three days later, the Constitutional Court charged him with violating the Constitution.

In a compromise move, Yeltsin shelved his special rule decision on March 24, and then luckily survived an impeachment vote in the March 26-29 special parliament session (special Congress of People's Deputies). However, his presidency and socio-economic reforms will again be at stake in the April 25 referendum.

For an embattled Yeltsin, who gives U.S. ties the first priority in his foreign policy, the Vancouver summit will be a political boost, as there he will get strong U.S. support beyond any doubt.

Observers believe that Yeltsin is yearning for four things out of the summit:

—Issues in bilateral trade will be resolved, and the two sides will establish a new-type of partnership and the U.S. market will open wider to Russian commodities, especially nuclear technology and high-tech products and materials;

—Washington will grant green light for Russian goods to enter international markets, particularly weapons and rare materials including uranium, to increase Russia's foreign reserve;

—Russia will gain direct economic assistance from the U.S. and an unfreezing of the rouble stability fund worth six billion U.S. dollars to curb its breakaway inflation;

—The two sides will commit to cooperate on international issues and the U.S. will promise to support the Russians' human rights in other countries, especially in former Soviet republics.

On his part, U.S. President Bill Clinton has indicated on several occasions that to help Russia carry out its political and economic reform conforms to the strategic interests of the United States.

First, the establishment of a democratic society in Russia will reduce the nuclear threat and save the U.S. billions of dollars each year in arms spending.

Second, a partnership with Russia will help the U.S. gain a vantage position in its contest with its allies, especially Germany and Japan.

Third, Russia will provide an enormous market for U.S. products. A closer relationship will also help the two countries coordinate their stands on major international issues.

Reports said President Clinton has decided to increase the U.S. aid to Russia for 1993 from 400 million to one billion dollars and will go to Vancouver with a package aid plan.

While it is likely that the Vancouver summit will help Russia and the U.S. come closer, many people still doubt whether it could have much influence on the domestic situation in Russia.

The prevailing view here is that the crisis in Russia could only be solved by the Russians themselves.

Clinton Urges 'People to People' Aid for Russia

OW0204003493 Beijing XINHUA in English 2148
GMT 1 Apr 93

[Text] Washington, April 1 (XINHUA)—U.S. President Bill Clinton today called on Americans to offer "people to people" aid to Russians to help reforms there and support Russian President Boris Yeltsin at the weekend's U.S.-Russian summit in Vancouver, Canada.

"We cannot guarantee the future of reform in Russia or the other states" of the former Soviet Union, Clinton said in Annapolis, Maryland. "Yet, for our own part, we must do what we can and we must act now."

"It is not an act of charity," he said, "It is an investment in our own future. While our efforts will entail new costs, we can reap even larger dividends for our safety and prosperity."

Immediately after his speech, Clinton was leaving for Portland, Oregon, and then to Vancouver for the summit with Yeltsin on Saturday [3 April] and Sunday.

Before heading to Annapolis, Clinton met with Democratic and Republican congressional leaders at the White House to gain their support for aid to Russia.

Apart from the immediate help, Clinton is asking the U.S. Congress to approve 717 million dollars for Russia and the other former Soviet republics for the fiscal year beginning October 1.

Even before his aid package is announced at the weekend's summit, it was met with some skepticism on the Capitol Hill.

Sen. Patrick Leahy, chairman of the Senate Appropriations Subcommittee that oversees foreign aid, said earlier this week "foreign aid is not the most popular issue" while President Clinton called on American middle class to make sacrifices to renew U.S. economy.

Clinton acknowledged that tough economic times at home made any plan for new foreign assistance a hard sell.

But he said "the danger is clear if Russia's reforms turn sour—if it reverts to authoritarianism or disintegrates into chaos. The world cannot afford the strife of the former Yugoslavia replicated in a nation spanning 11 time zones and armed with a vast arsenal of nuclear weapons."

"Our efforts must be people to people, not government to government," Clinton said. He also promised that the U.S. aid would not be wasted.

Earlier today, U.S. Secretary of State Warren Christopher told a house subcommittee that only after Yeltsin tells Clinton at the summit how U.S. aid would be "most effective" and the United States consults with the other Western nations would the U.S. Administration be prepared to consider requesting additional money from the Congress.

Clinton intended to use the Vancouver summit to give Yeltsin, who narrowly survived an impeachment attempt this week, all the help he can before an April 25 referendum on the question of who has final authority in Russia.

U.S. Pacific Command Chief Visits Pakistan

OW0204034093 Beijing XINHUA in English 0231
GMT 2 Apr 93

[Text] Islamabad, April 2 (XINHUA)—Admiral Charles R. Larson, commander-in-chief of U.S. Pacific Command, arrived here Thursday [1 April] on a week-long visit to Pakistan.

He was received at the Chaklala Airfield here by Pakistan Vice Chief of the Naval Staff Vice Admiral Syed Iqidar Hussain and other Pakistan Navy officers.

American Ambassador to Pakistan John Monjo and other officials of the U.S. Embassy were also present at the airfield to greet the U.S. naval commander.

During his visit to Pakistan, Larson will call on President Ghulam Ishaq Khan, Prime Minister Nawaz Sharif, Chairman of Joint Chiefs of Staff Committee General Shamim Alam Khan, Chief of the Army Staff General Abdul Waheed Khan, Chief of the Naval Staff Admiral Saeed M. Khan and Chief of the Air Staff Air Chief Marshal Farooq Feroze Khan.

United States & Canada

Jiang Zemin Meets Merrill Lynch Head Schreyer

OW0204074393 Beijing XINHUA in English 0729
GMT 2 Apr 93

[Text] Beijing, April 2 (XINHUA)—Chinese President Jiang Zemin met with William A. Schreyer, chairman of the Merrill Lynch investment banking group, the largest securities institution in the U.S., here this morning.

This was Jiang's first meeting with foreign visitors since he became the newly elected Chinese president. Their conversation mainly centered on the establishment of a socialist market economic system.

Merrill Lynch was the first U.S. financial institution to open a branch office in Shanghai.

Jiang expressed the hope that the Merrill Lynch Group would conduct co-operation with China's financial circles in an extensive way on the basis of equality and mutual benefit, and offer constructive suggestions for China's reform and opening as well as economic construction.

During the meeting Schreyer extended his congratulations on the success of the just-closed first session of the Eighth National People's Congress and to Jiang on his election.

He briefed Jiang on Merrill Lynch, saying that the group will co-operate with China in the stock and securities business and personnel training and other fields.

Zhu Rongji Meets U.S. Joint Venture Members*OW0204092693 Beijing XINHUA in English 0906
GMT 2 Apr 93*

[Text] Beijing, April 2 (XINHUA)—The establishment of an automation instrument joint venture between the Shanghai Automation Instrument Company in China and the Rosemount Corporation of the United States, was announced here today.

The company, Shanghai Rosemount, is located in the Pudong Development Zone in Shanghai, on the eastern coast of China. It will be China's largest joint venture producing automation instruments.

Chinese Vice-Premier Zhu Rongji met with representatives from both sides of the joint venture yesterday in Beijing. Zhu expressed his wishes for the success of the project.

According to a contract signed on March 30th in Shanghai, the joint venture will use 1.8 million U.S. dollars invested by both partners in the first phase of the project to produce such hi-tech automation instruments as mass flow meters, analysis apparatus, controlling systems and accessories.

Vernon Heath, chairman of the Rosemount Corporation, said at a news conference today that, with the opening of the joint venture, Rosemount will continue to make contributions to China's automation instrument industry by transferring advanced technology to China on a larger scale.

The Rosemount Corporation, which was established in 1956, is the largest enterprise in the area of automation instrument production in the world. It began cooperation with China in 1978.

Liu Shuqing Fetes Relations Committee's Conable*OW0104134093 Beijing XINHUA in English 1331
GMT 1 Apr 93*

[Text] Beijing, April 1 (XINHUA)—Liu Shuqing, president of the Chinese People's Institute of Foreign Affairs, gave a dinner here this evening for a U.S. delegation led by Barber B. Conable, Jr., chairman of the board of the National Committee on U.S.-China Relations.

The U.S. visitors arrived here yesterday [31 March] for the sixth Sino-American celebrity dialogue.

Central Eurasia**Gansu Opens First Rail Link to Kazakhstan***OW0104145893 Beijing XINHUA in English 1444
GMT 1 Apr 93*

[Text] Lanzhou, April 1 (XINHUA)—The Lanzhou-Alma-Ata train departed from Lanzhou, capital of northwest China's Gansu Province, this morning—the first international train departing from the city.

The train has two carriages with 64 berths which are first coupled to the train from Lanzhou to Urumqi and then transferred to the train from Urumqi to Tashkent.

The Lanzhou-Alma-Ata train departs from Lanzhou on every Thursday and takes 91 hours for one-way travel.

A Gansu Government official said that the opening of the train will promote contacts and exchanges between the province and the Commonwealth of Independent States.

Russia Opens Trade Fair in Liaoning 2 Apr*OW0204114293 Beijing XINHUA in English 1132
GMT 2 Apr 93*

[Text] Shenyang, April 2 (XINHUA)—A large Sino-Russian trade fair was launched today in Shenyang, a heavy industry base in northeast China's Liaoning Province with Soviet aid in the 1950s.

Aleksandr F. Nikitin, Russian consul general to the city and director of the fair's organizing committee, said that the aim of the fair is to increase Russia's understanding of China and to expand economic cooperation between the two countries.

More than 600 people attended today's opening events. Participants included 274 enterprise representatives from China and nearly 70 Russian officials and businessmen.

The bazaar is to publish market information on the metallurgical industry, machinery, chemicals, petroleum, medicine and apparel.

It will also organize Russian entrepreneurs to visit Chinese factories and help each side find partners.

Over the past few years, Sino-Russian trade and economic cooperation has made considerable progress in the three provinces of northeast China.

The Russian consul general was optimistic about the potential for cooperation between the two nations. A larger trade fair will be held next year, the consul said.

Northeast Asia**NPC's Chen Muhua Meets Mongolian Visitors***OW0104134493 Beijing XINHUA in English 1231
GMT 1 Apr 93*

[Text] Beijing, April 1 (XINHUA)—Chen Muhua, vice-chairman of the Standing Committee of the National People's Congress (NPC) of China, met with a delegation of the Mongolian Women's Federation headed by its Vice-Chairman M. Monhbuyangt [name as received] at the Great Hall of the People here this evening.

Chen, also chairman of the All-China Women's Federation, had a cordial conversation with the Mongolian

visitors on bilateral ties between the two countries and on the exchanges between the two federations.

Envoy Discusses Ties With Mongolian Official

OW3103054693 Beijing XINHUA in English 0526
GMT 31 Mar 93

[Text] Ulaanbaatar, March 31 (XINHUA)—Chairman of the Great Hural (parliament) in Mongolia Natsagiyn Bagabandi expressed the hope today that the parliamentary relations with China would be further promoted.

During talks with Chinese Ambassador to Mongolia Pei Jiayi today, Bagabandi said that he was pleased with development of the current bilateral relations in the economic, scientific and political fields.

He said that his country was greatly interested in the great progress made during the economic reform drive in China and the on-going first session of the Eighth National People Congress of China.

Bagabandi conveyed his congratulations to the newly-elected chairman of the Chinese people's congress Qiao Shi and said that bilateral parliamentary relations would be further developed in the future.

Earlier this month, Ambassador Pei presented credentials to Mongolian President Punsalmaagiyn Ochirbat.

First Tour Liner Opens With DPRK

OW0104150993 Beijing XINHUA in English 1441
GMT 1 Apr 93

[Text] Shenyang, April 1, (XINHUA)—The first tour liner is now open between northeast Liaoning's Dandong port of Dandong city and Nampo on the western coast of the Democratic People's Republic of Korea.

The agreement was reached this March by the Overseas Travel Company of Dandong city and the International Travel Agency of the DPRK.

Tourists on the liner can expect to visit Dandong, Nampo, Pyongyang and Kaesong cities and Myohyang and Kumgang mountains, in 4, 6 or 8 days as they choose.

The first batch of tourists is scheduled to leave Dandong by the end of April on a luxury tour liner, according to the tourist department here.

Southeast Asia & Pacific

Prince Sihanouk Leaves for Cambodia 2 Apr

OW0204072893 Beijing XINHUA in English 0715
GMT 2 Apr 93

[Text] Beijing, April 2 (XINHUA)—Prince Norodom Sihanouk, head of state and chairman of the Supreme National Council of Cambodia, and Madame Sihanouk left here for Phnom Penh today.

They were seen off at the airport by Chinese Vice-Foreign Minister Yang Fuchang and officials of the Cambodian Embassy and other countries' embassies in Beijing.

Departs Despite 'Enemy' Threat

HK0204032593 Hong Kong AFP in English 0308 GMT
2 Apr 93

[Text] Beijing, April 2 (AFP)—Cambodian leader Prince Norodom Sihanouk left here Friday for Phnom Penh, despite warnings that his life might be in danger if he returned to the Cambodian capital.

The prince departed from the Beijing International Airport aboard a special Cambodian Government flight, and was seen off by Chinese Vice Foreign Minister Yang Fuchang, a Western diplomat said.

On Tuesday [30 March], the rebel Khmer Rouge, which has refused to adhere to a Cambodian peace accord, warned in a letter that Sihanouk's life might be in danger if he returned to Phnom Penh, citing an unnamed "enemy" threat.

Khmer Rouge leader Khieu Samphan said in the letter that his radical group had "reached the conclusion that the enemy is in a position to dispatch small commando units to liquidate" Sihanouk if he tried to return.

Sihanouk, 70, has a residence in Beijing.

He is to host U.N. Secretary General Butrus Butrus-Ghali in Phnom Penh next week and then travel to North Korea in mid-April.

Report Notes Vietnamese Trade via Guangxi Port

OW3103153693 Beijing XINHUA in English 1359
GMT 31 Mar 93

[Text] Nanning, March 31 (XINHUA)—Youyiguan, a port on the border between the Guangxi Zhuang Autonomous Region, in southwest China, and Vietnam, has received more than 20,000 tourists and businessmen and has handled more than 120,000 tons of cargo since it opened on April 1 of last year.

A Guangxi government official said that the total business volume in tourism and trade at the pass surpassed 200 million yuan over the past year.

Youyiguan is about a dozen kilometers from Lang Son in Vietnam and is a railway and highway hub for Southeast Asian traffic.

The official said that since the city of Pingxiang, where Youyiguan is located, was declared an open city by the State Council last year, it has become the largest non-government-controlled frontier trade market between China and Vietnam.

The city has attracted tourists and businessmen from Southeast Asia, the United States, Japan, Hong Kong

and 60 other countries. Some 200 travel agencies in the country have organized various excursions between China and Vietnam.

The official said that many companies and private businessmen throughout China have invested in the city.

Burmese Leader Cables Jiang Zemin, Li Peng

BK0104122293 Beijing China Radio International in Burmese 1130 GMT 1 Apr 93

[Text] General Than Shwe, chairman of the State Law and Order Restoration Council of the Union of Myanmar [Burma], has sent congratulatory cables to Jiang Zemin, who was elected as state president, and Li Peng, who was elected as premier of the State Council at the first meeting of the Eighth National People's Congress.

Delegation in Burma Signs Contract for Tractors

OW0104150793 Beijing XINHUA in English 1432 GMT 1 Apr 93

[Text] Yangon [Rangoon], April 1 (XINHUA)—Myanmar [Burma] will import 5,000 units of walking tractors from China's Guangdong Province in the coming year.

Fan Shaoya, deputy general manager of the Guangdong Machinery and Equipment Import and Export Group Corporation, told XINHUA this evening.

He said from 1991 up to now, Myanmar had imported about 1,500 units of walking tractors from Guangdong Province.

Fan is leading a six-member delegation to visit Myanmar.

A minutes of meetings for purchasing 5,000 units of walking tractors from Guangdong Province was signed here this evening by the Guangdong group corporation and the Myanmar side.

The deputy general manager noted that an official agreement would be signed in Guangzhou later this month when Myanmar Minister for Agriculture Myint Aung visit the city next week.

The delegation arrived here on March 22 at the invitation of the Myanmar Ministry of Industry-2.

The Chinese visitors are scheduled to leave the country tomorrow.

Burmese Agricultural Delegation Leaves for PRC

OW3103093793 Beijing XINHUA in English 0831 GMT 31 Mar 93

[Text] Yangon [Rangoon], March 31 (XINHUA)—A Myanmar [Burma] agriculture delegation led by Myint

Aung, minister for agriculture, left here for China this afternoon at the invitation of Chinese Minister for Agriculture Liu Jiang.

During its stay in China, the delegation will discuss with their Chinese counterparts cooperation between the two countries in agriculture and investigate China's agriculture, water conservancy and agricultural machinery projects in Beijing, Shanghai, Guangzhou and Shenzhen.

The delegation was seen off at the airport by Tin U, second secretary of the State Law and Order Restoration Council (SLORC), Minister for Forests Chit Swe and Minister for Trade Tun Kyi as well as Chinese Ambassador to Myanmar Liang Feng.

'Roundup' on Burmese Insurgency, Countermeasures

OW2603144993 Beijing XINHUA in English 1434 GMT 26 Mar 93

["Roundup" by Chen Bingqi]

[Text] Yangon [Rangoon], March 26 (XINHUA)—The dozen anti-government armed organizations with over 20,000 members have always been an unstable factor in Myanmar's [Burma's] social and economic development.

With sabotage activities by some of the groups growing in neighboring Kayah, Kayin and Mon states, the government has promised to take more security measures in the capital of Yangon and put more armed soldiers on guards in main streets and roads in the city.

According to an official report today, during the 12 months ending March 20 this year, the government armed forces had about 300 battles and over 2,000 skirmishes with armed insurgent groups in five of the country's 10 military command areas.

During the year, government troops killed 1,292 insurgents, captured 231 alive and 615 surrendered, while 514 government army men were killed and 998 others wounded in the engagements.

In the battles, which mainly occurred in remote and border areas, the government forces seized large numbers of weapons including more than 900 assorted arms and over 78,000 cartridges.

During the past year, the government troops also captured about 3,000 kilograms of jade stones, over 970 kilograms of narcotics including 30 kilograms of heroin and more than 10,000 timber logs.

Of the 300 battles during the year, there were two big ones.

One took place on September 1, 1992 in the eastern command area, when about 400 insurgents from the

Kayin National Union and the Kayin National Progressive Party attacked government Army camps in Hweponglao region of the eastern state of Kayah. The government Army columns launched offensives on September 13 and captured Hweponglao and Dawtakhet Ridge on November 2.

In another battle on July 25 last year in southern command area, about 500 insurgents from the Knu group and the All-Burma Students' Democratic Front attacked and occupied Htimukhi Camp of the Kayin State, over 210 kilometers northeast of Yangon.

The government Army columns in cooperation with the Air Force recaptured all the three areas of Htimukhi, Paleikkho Ridge and Hsayde on November 6.

Myanmar's insurgent groups are mostly situated in remote mountainous and border areas and most of them are engaged in narcotics and precious stone trade or timber felling and trade.

There had existed many anti-government armed groups in the country since it won its independence in 1948, and since the State Law and Order Restoration Council, the military government, took the power on September 18, 1988, a total of nine armed organizations have returned to the legal fold and joined with the authorities in the border area development of national races.

Former Minister Huang Hua Meets Thai Visitors

OW3103123293 Beijing XINHUA in English 1140
GMT 31 Mar 93

[Text] Beijing, March 31 (XINHUA)—Huang Hua, president of the China Association for International Friendly Contact, met with Pat Akkhanibutr [name as received], vice-president of the Thai-Chinese Culture and Economy Association, and his party here this evening.

The Thai visitors are here to acquaint themselves with China's economic construction, especially in the Special Economic Zones. They arrived here Tuesday [30 March] and will visit Shanghai, Shenzhen and Zhuhai before returning home.

Indonesian Envoy Expects Ties To Improve

BK3003152493 Jakarta ANTARA in English 1418 GMT
30 Mar 93

[Excerpt] Beijing, March 30 (ANTARA)—Indonesian ambassador to China Abdurrahman Gunadirja says he believes Indonesia-China relations will get closer under the new leaders elected in Beijing on Sunday.

The bilateral ties, in trade as well as political fields, will move closer with the election of the new leaders in the Chinese National People's Congress (NPC), Abdurrahman, already an expert on China before his posting in Beijing, told ANTARA late on Sunday.

In the economic and trade field RI [Republic of Indonesia] - China bilateral relations are excellent, he said. In

the political field the two countries are also mutually supportive in various international fora in line with each nation's interests, he added.

On the occasion, he [word indistinct] congratulations on 67-year old Jiang Zemin's election as China's president and Li Peng's re-election as prime minister. [passage omitted]

Near East & South Asia

Qian Qichen Congratulates Gulf Council Chief

OW0104100593 Beijing XINHUA in English 0934
GMT 1 Apr 93

[Text] Beijing, April 1 (XINHUA)—Chinese Vice Premier and Foreign Minister Qian Qichen today sent a message to Shaykh Fahim al-Qasimi, congratulating him on his appointment as secretary general of the Gulf Cooperation Council.

"The Chinese Government has always supported the policy of unity, self-reinforcement and development for all carried out by the council. We appreciate the positive efforts made by the council in enhancing unity among the Arab nations, safeguarding peace and stability in the Gulf region and promoting regional economic cooperation," the message said.

Qian expressed the hope that the cooperative relations between China and the council and its member states will develop further.

CPPCC's Seypidin Aze Meets Iraqi Visitors

OW0104133893 Beijing XINHUA in English 1232
GMT 1 Apr 93

[Text] Beijing, April 1 (XINHUA)—Vice-Chairman Seypidin Aze of the National Committee of the Chinese People's Political Consultative Conference [CPPCC] met here today with a delegation from the Iraq-China Friendship Association (ICFA).

They agreed that the friendly contacts between the peoples of China and Iraq should continue.

The delegation, led by ICFA President Issa Salman, arrived here Tuesday [30 March] at the invitation of the Chinese People's Association for Friendship With Foreign Countries.

Lebanese Foreign Minister Leaves for Visit

OW0204013193 Beijing XINHUA in English 1845
GMT 1 Apr 93

[Text] Beirut, April 1 (XINHUA)—Lebanese Foreign Minister Faris Buwayz left Beirut today on an official visit to China, the first by a top level Lebanese official to China in 20 years.

In an interview with XINHUA before departure, the Lebanese foreign minister said the visit is aimed at

strengthening political, economic and cultural ties between the two countries and two peoples.

"We have friendly, cordial and sincere ties with the People's Republic of China," the foreign minister said.

He also said that the visit was exceptionally important in that it takes place in the midst of accelerating political changes, regionally and internationally, and at a time of political disruption the world over.

"We should consult and agree with the Chinese leadership about several international issues and to seek solutions for the current disruption following the disintegration of the Soviet Union, the Gulf war and other world changes."

The Lebanese foreign minister expressed in the course of the interview his satisfaction for the development of relations between Lebanon and China ever since the establishment of diplomatic ties in 1971.

This has contributed in strengthening political and economic relations between the two countries, he said, hoping that the Lebanese-Chinese ties of friendship and cooperation will further flourish.

Sub-Saharan Africa

Envoy Signs Commodities Contract With Zambia

OW0104075393 Beijing XINHUA in English 1644
GMT 31 Mar 93

[Text] Lusaka, March 31 (XINHUA)—China has supplied a batch of commodities worth two million U.S. dollars to Zambia under an implementation contract signed here today.

According to the contract, signed by Zambian Finance Minister Emmanuel Kasonde and Chinese Ambassador Yang Zengye, the commodities including 38,400 blankets and 38,400 bed sheets will be distributed to all government hospitals in Zambia.

The supply of the commodities was implemented under a loan agreement signed between the two countries in August 1991.

Speaking at the signing ceremony, the minister highly appreciated China's unwavering assistance to his country.

China has assisted Zambia with over 60 development projects since 1967.

Trade Volume With Nigeria Increases 'Sharply'

OW0204001993 Beijing XINHUA in English 2003
GMT 1 Apr 93

[By Wang Xin]

[Text] Lagos, April 1 (XINHUA)—The export and import volume between China and Nigeria sharply

increased to 96 million U.S. dollars in 1992 from about 50 million U.S. dollars in 1991.

This was disclosed by the economic and commercial counselor of the Chinese Embassy in Nigeria, Mr. Zhang Yaohuan, at a two-day international seminar which ended here on Wednesday [31 March].

Compared with that in 1991, Mr. Zhang said, the export from China to Nigeria rose by 86.25 percent to 90 million U.S. dollars in 1992, while import from Nigeria to China went up to 5.96 million U.S. dollars.

Mr. Zhang said that the trade volume between China and Nigeria accounted for 5.3 percent of the total volume of 1.8 billion U.S. dollars between China and Africa in 1992.

He noted that China and Nigeria are two great markets and trade potentialities between the two countries are great.

More and more Chinese commodities have come into Nigeria, and at the same time, the Nigerian commodities have continuously entered the Chinese market, he said.

The Chinese diplomat said the main commodities which China imported from Nigeria are carbamide, coca beans, rubber, goatskin, cashew nut and emulsion.

West Europe

Austrian Chancellor Vranitzky Arrives 2 Apr

OW0204075993 Beijing XINHUA in English 0747
GMT 2 Apr 93

[Text] Shenzhen, April 2 (XINHUA)—Franz Vranitzky, federal chancellor of the Republic of Austria, and his party arrived here today on an official visit to China at the invitation of Chinese Premier Li Peng.

This is Vranitzky's first trip to China since he became the federal chancellor of Austria in June, 1986.

Upon their arrival, the visitors were greeted by Chen Minzhang, chairman of the Chinese Government Reception Committee and minister of public health, and officials from Shenzhen.

Italy Grants Aid to Tibet Emergency Center

OW0104131793 Beijing XINHUA in English 1235
GMT 1 Apr 93

[Text] Lhasa, April 1 (XINHUA)—An emergency center will be established in the Tibetan Autonomous Region with three million U.S. dollars in assistance from the Italian Government.

The Italian grant is the largest foreign aid package that Tibet has ever received in the area of medicine and public health.

The autonomous region has already spent 2 million yuan on the design of the project and training of technical personnel. It has also promised to cover maintenance fees for medical equipment when the center goes into operation.

The emergency center, with floor space of over 8,000 square meters, will provide services throughout the

autonomous region and bring a complete change to the present backward medical conditions at grassroots units.

The Italian Government has sent its ambassador to China and medical experts to make an on-the-spot investigation in Tibet. Later this month, another Italian group will visit the region.

Eighth National People's Congress

Provincial Heads Discuss Development, Part One

*HK0204003093 Hong Kong WEN WEI PO in Chinese
23 Mar 93 p 5*

[Report: "Heads of Various Provinces, Municipalities, and Autonomous Regions Talk About Development Opportunities at NPC Panel Discussions (Part One)"—compiled on the basis of the speeches made by the deputies at the NPC session]

[Text] Deputy from Beijing: Strive To Successfully Host the 2000 Olympic Games

Chen Xitong, [Beijing mayor and] deputy secretary of the Beijing Municipal CPC Committee: When Premier Li Peng expressed his definite and resolute support for Beijing's application to host the 2000 Olympic Games in his Government Work Report, the deputies to the National People's Congress [NPC], members of the Chinese People's Political Consultative Conference [CPPCC], and all other participants in the meeting responded with warm applause. I was also deeply moved by this. As chairman of the Beijing Committee for Applying To Host the 2000 Olympic Games, I would like to express my sincere thanks to all NPC deputies, CPPCC members, and leading comrades from various provinces and municipalities, as well as the masses of people throughout the country. They have boosted our confidence in this application.

The NPC deputies and CPPCC members speak for the people throughout the country. Their applause fully proved that the whole country supports Beijing in applying to host the 2000 Olympic Games. From this we can see the strong cohesive force of the Chinese nation. If China succeeds in this application, it will also be an honor for the international Olympic Games, because China has already shaken off the label of the "sick man in East Asia" and is a country with the largest population in the world and a history of civilization of 5,000 years.

Whether our application can succeed depends both on our efforts and the International Olympic Committee [IOC]. However, on our part, we have all the conditions and are very sure that we can do everything the IOC wants of us. We are now endeavoring to make everything ready and waiting for approval.

Deputy From Tianjin: Speed Up Development of the Bohai Wan

Nie Bichu, mayor of Tianjin: It is entirely possible to achieve the objective of quadrupling the GNP ahead of schedule and push our national economy onto a new stage. To suit the needs of achieving the objective ahead of schedule, Tianjin intends to increase its average annual economic growth rate from the original 6 percent to 8-9 percent during the Eighth Five-Year Plan. To achieve this objective, it is necessary to accelerate the

pace of establishing a socialist market economy structure. The Tianjin Municipal CPC Committee and Government have decided to implement the system which requires payment of tax plus a percentage of profits to the state beginning in 1993, changing the original contract forms. The departments in charge of enterprise work will no longer contract any portion of profits turned over to the state. This is conducive to separating government administration from enterprise management, ensuring that the enterprises have sufficient decision-making power in production, and to reducing enterprise burdens and enhancing their vitality. It is also good for solving some long-standing problems such as "taking from the better-developed and giving to the undeveloped" and "whipping the willing horse," so that enterprises can directly enter the market and compete with one another on an equal basis. This policy decision has been approved and supported by the relevant State Council departments.

There are very good conditions for the development of the Bohai Wan. First, it is in a very advantageous geographical position; second, communications are good there; third, it has considerably great economic and scientific and technological strength; and fourth, it has rich natural resources. At the same time, this region has taken considerably large steps forward in various fields over the past 14 years since reform and opening up. In addition, there are other favorable factors both at home and abroad. If we seize this opportune time and make full use of it to accelerate the pace of opening and development, it is very possible that this will become one of the regions which achieve the basic objectives of modernization earlier than others. This will produce a great influence on the development of northeast, northwest, and north China. It will also occupy an important position in northeast Asia's economic development. I propose that accelerating the pace of exploitation and development of the Bohai Wan region be included in the Government Work Report.

Deputy From Hebei: Main Energy Production Province Seized Development Opportunity

Cheng Weigao, governor of Hebei Province: The Government Work Report fully expresses the 14th CPC National Congress guidelines and the spirit of seizing the opportune time to speed up development, which has been repeatedly emphasized by Comrade Xiaoping. It is a program of action for the people throughout the country in the next five years.

In light of Hebei's realities, the most important thing to do to implement the spirit of the report is also to seize the opportune time and speed up our development. If we do not strengthen the sense of opportune time and do not seize it firmly, resolutely, and accurately, we may miss a good opportunity for development. At present, there are very good opportunities for Hebei's development: 1) The province has one of the four major open areas—the Bohai Wan; 2) the speedy economic development of the country has set higher demands on the construction of

basic industries and basic facilities and Hebei is a big province in energy, raw materials, and basic industrial production; 3) the establishment of a structure of socialist market economy, step by step, has provided us with the best opportunity for developing commodity agriculture, township and town enterprises, and the tertiary industries; and 4) the most important thing is that the people of Hebei have a strong desire for changing the province's backward situation. Provided we continue to emancipate our minds, change our thinking, and strengthen our sense of crisis, sense of responsibility, sense of market, sense of opening, and sense of development, we will surely be able to seize the opportune time, speed up our development, successfully carry out various tasks put forward by the report, and achieve the objective of building our's into an economically powerful province.

Deputy from Shanxi: Simultaneous Development of Coal and Electricity; Renew Our Concepts

Hu Fuguo, governor of Shanxi: A major characteristic of Premier Li Peng's Government Work Report is seeking truth from facts. It affirms our past achievements and also points out the existing problems and difficulties. Looking back on the past five years, China has made great achievements in various construction projects and undertakings. Shanxi's situation is the same as that of the whole country. We have resolutely implemented the spirit of Comrade Xiaoping's south China tour speeches and the 14th CPC National Congress and adhered to the policy of reform and opening up. Our industrial and agricultural production has grown by 11 percent. Township and town enterprises especially have achieved an even faster development. What is more gratifying, the people of our province have further renewed their ideological concepts and have made positive efforts to perfect the market economic structure and accelerate the pace of reform and opening up. I believe that provided we conscientiously implement the spirit of the 14th CPC National Congress and the current NPC session, there will surely be a greater development in Shanxi's economy. However, there is still a problem we want to submit to the central authorities and that is, the basis of Shanxi's coal, energy, and heavy and chemical industrial production is still rather weak. As coal production is restricted by transportation, there must be some protective policies and measures. Shanxi's chemical industry is not well developed. We cannot just sell coal. We have to change selling coal into "simultaneous development of coal and electricity" and this needs the support of the central authorities.

Deputy from Inner Mongolia: Boundless Future for Six Major Industries

Wang Qun, secretary of the autonomous regional party committee: At present, Inner Mongolia should seize the golden development opportunity, emancipate our minds, seek truth from facts, and speed up reform, opening up, and economic development. During the Seventh Five-Year Plan, Inner Mongolia's economic

development was extraordinary and unprecedented and great and inspiring achievements were made during that period. However, the gap between our region and other areas of the country still widened. There were certainly historical and objective reasons but there were also subjective reasons. Practice tells us that it is possible for Inner Mongolia's economy to develop faster. Just as Comrade Xiaoping said, so long as we seize the historical development opportunity, emancipate our minds, and seek truth from facts, we will certainly be able to develop faster. We must have a sense of urgency and must firmly seize the current opportunity to open up in all directions and to exploit and develop on a large scale, rather than merely doing some small things. We must continue to promote the construction of the six major industries in accordance with the spirit of the 14th CPC National Congress and the demand to establish a socialist market economy structure as well as thinking of great opening up, great exploitation, and great development. 1) It is necessary to speed up integration of "trade, industry, and agriculture" and integration of "growing, breeding, and processing" [zhong yang jia 4429 7402 0502] so that a solid foundation can be laid for the development of the secondary and tertiary industries, and township and town enterprises, and so that an overall economic development can be promoted throughout the region. By the end of this century, we must provide our country with 5 billion jin of fine-quality soya beans, corn, and wheat and 70 million head of domestic animals; 2. it is necessary to vigorously carry out the power transmission strategy of changing coal into electricity. By the end of this century, we should achieve a generator capacity of 20 million kw so that power supply for Beijing, Tianjin, and Hebei in central China and for Liaoning, Jilin, and Heilongjiang in the north can be guaranteed; 3. it is necessary to speed up construction of modern chemical industrial bases, including the petrochemical, coal chemical, saline-alkali chemical, sulphuric-iron chemical, biochemical, and fine chemical bases. 4. It is necessary to speed up implementation of the strategy for development of the modern iron and steel and nonferrous metal industries. The Baotou Iron and Steel Corporation must strive to produce 4 million tonnes of iron and steel by the end of the Eighth Five-Year Plan period and to produce 6 million tonnes by the end of the Ninth Five-Year Plan period on the current basis of producing 3 million tonnes, so that it can make its contributions to the state for achieving the objective of producing 120 million tonnes of steel. At the same time, production of copper, aluminum, and zinc, and the nonferrous metal industry, should be accelerated; and 5. it is necessary to speed up development of new and modern construction materials. In short, the day we achieve successes in the development of these six major industries will be the day we achieve an economic leap in Inner Mongolia. There is boundless future for Inner Mongolia's development.

Deputy From Liaoning: Go All Out To "Do Pioneering Work a Second Time"

Yue Qifeng, governor of Liaoning: The theme of Premier Li Peng's Government Work Report is to adhere to the

party's basic line, seize the opportune time, and speed up development. While the country is speeding up development, what should Liaoning do? Proceeding from Liaoning's realities, we have forwarded the slogan of "Doing Pioneering Work For a Second Time" in the old industrial bases so as to rejuvenate Liaoning. The main tasks are: 1) In economic structure, it is necessary to realize as soon as possible the transition from a unitary planned economic structure to a socialist market economy structure; 2) on major projects of economic development, it is necessary to continue to transform the old enterprises by means of either "increasing investment in the enterprises" or "pushing the enterprises into the market," speed up reform, transformation, and readjustment, and give play to the superiority of the large and medium state-owned enterprises. At the same time, it is necessary to make efforts to cultivate new flashpoints of economic growth, such as vigorously developing "high-yield, high-efficiency, and fine-quality" agriculture, vigorously developing township and town enterprises as well as the collective economy and small but powerful enterprises in urban districts, vigorously developing new and high technology industries and fine processing industries, and vigorously developing the tertiary industries, the three kinds of partially or wholly foreign-owned enterprises, and the economic sector composed of the individual, private, and other ownerships; and 3) on the road of economic development, we must continue to follow the road of low input, high output, and fast accumulation, with economic returns as the center. To "do pioneering work for a second time," it is necessary to promote the provincial economy into a new stage as soon as possible. By the end of this century, our provincial GNP should grow at an average annual rate of 10 percent, while that of the national income will grow 9.6 percent. The proportion of the output value of the primary, secondary, and tertiary industries in the GNP will be readjusted respectively to 12, 48, and 40 percent. The rate of contribution made by the factor of science and technological progress to economic growth will reach above 50 percent. Exports of local products will grow by 17 percent annually and will be quadrupled in 10 years. The per capita consumption of residents will reach 3,200 yuan.

Deputy From Jilin: Border and Coastal Areas Await Big Leap

He Zhukang, secretary of the Jilin Provincial CPC Committee: It is necessary to gain a correct understanding of the economic situation and enhance our sense of urgency in accelerating development. Especially in Jilin Province, which has attached importance to the industrial structure and where conditions and economic returns are relatively good for a speedy economic growth, it is necessary to encourage development. No uniformity should be imposed on the development speed of the various areas.

It is necessary to attach great importance to agricultural development and further strengthen its position as the foundation of the national economy. In the future, there

is no doubt that grain production will depend on the market. After all, grain is king and an extremely important and special commodity. It cannot be entirely regulated by the market. Particularly at present, there are still no fair conditions for grain production to enter market competition. Without the necessary prerequisite of state protection, it will naturally be in an unfavorable position when competing with other industries. Therefore, it is necessary to adopt special policies toward grain production so that the initiative of the peasants can be protected and the shrinking of production can be prevented. Judging from our province's situation, to strengthen and develop agriculture, and especially to maintain a steady increase in grain production, the state must mainly help resolve the following problems: 1) It is proposed that state finance should allocate special funds year by year to reduce the losses of main grain production areas incurred by the relevant policies and reduce the load on local finance; 2) it is proposed that the state should establish an agricultural risk fund and grain protection fund so that the peasants can be assured of obtaining the average social profits by engaging in grain production; 3) the state should increase the scale of loans to the main commodity grain production areas to help them develop the grain processing industry and township and town enterprises, speed up readjustment of the industrial structure of the main production areas, and enable grain production to gradually take a road of large-scale production; and 4) it is necessary to speed up the development of rural markets and intermediary organizations, with the stress on development of the agricultural products wholesale markets and the futures markets. It is necessary to reduce the peasants' risks in production and expenses in circulation and to resolve the fundamental contradictions between small production and big market.

It is necessary to emancipate the mind and change the methods of thinking and endeavor to build Jilin into a developed border and coastal province. Recently, the Jilin Provincial CPC Committee forwarded the objective of building the province into a developed border and coastal province. We must speed up efforts to establish a new pattern of opening up to the outside world in all directions, with Changchun and Hunchun taking the lead and with the open border cities as the links. At present, conditions for establishing the Hunchun Special Economic Zone [SEZ] are basically ripe and it is the time for us to do so. However, there are still some problems which need to be solved with the assistance of the state. We propose that a leading group and an office of the leading group be established by the state to take charge of the opening and development of the Hunchun SEZ. The leading group will be responsible for working out unified policies for handling external affairs and policies for harmonizing internal relations, exercising leadership over implementation of the development plans, and organizing construction of major projects. At the same time, it is necessary to attach great importance to and actively promote the economic development of the northeastern region. First, it is necessary to bring the

northeastern region's economic development into line with the overall economic development strategy of the state. Second, it is necessary to offer necessary support to the three northeastern provinces with reference to the policies of opening up for some coastal provinces and cities in southeast China. Third, it is necessary to try in a thousand and one ways to help the enterprises in old industrial areas in technological transformation.

Deputy From Heilongjiang: Seize the Good Development Opportunity

Shao Qihui, governor of Heilongjiang: During this year's Spring Festival, Comrade Xiaoping said: "We hope you will not miss the opportune time. To China, opportunity for a great development does not come often." Opportunity is a reflection of the objective being. At the same time, there is also a problem in man's subjective world, that is, how to correctly seize the opportunity and adroitly guide action according to circumstances. For example, we have proposed establishing a socialist market economy structure in our country. This issue could not have been put forward earlier, nor can it be put forward later because there must be conditions for the establishment of a market economy. First, through reform and opening up over the past 10 and more years, China's production has developed, market supply has greatly increased, and contradictions between supply and demand have basically been resolved. Second, reform and opening up enabled our country to greatly change its past status of being closed to the outside. Third, since Comrade Deng Xiaoping's south China tour speeches, the whole party and the people throughout the country have further emancipated their minds and the problem of whether planning and market are surnamed "Socialism" or "Capitalism" has been solved. All this has brought about a new leap in our subjective understanding. Under such circumstances, the party Central Committee put forward in a timely fashion an objective of establishing a market economy structure. Now, both subjective and objective conditions are relatively ripe. Another example is the work of changing the operational mechanism in enterprises and running large and medium state-owned enterprises properly. The large and medium state-owned enterprises are comparatively well equipped and have better technologies. Why is it especially difficult for them to change their operational mechanism? Take our province for example. The losses suffered by the industrial enterprises within the state budget make up 42 percent of the total losses and those of the commercial enterprises also make up more than 30 percent. A small peddler can earn 100 or several hundred yuan a day, but our state-owned commerce is still suffering losses. This shows that reform is absolutely necessary and the market economy should be adopted. Only by intensifying reform and changing the operational mechanism can we run the enterprises properly and change the situation of great losses. There is also the question of opportunity in the opening up drive in border areas. Because of the turbulent political situation, and the disintegration of the former Soviet Union and

the extremely difficult economic situation in Russia, mutual complements between both sides in economic affairs through the border areas became an objective demand. Last year, we took advantage of this opportunity to promote import and export trade with Russia. The turnover reached the equivalent of \$1.6 billion, making up about 1/3 of the nation's total volume of trade with Russia. The situation of organizational reform is almost the same. In the past, organizational reforms have been carried out several times and certain achievements were made each time. But, generally speaking, no significant achievements were ever attained in streamlining the organization and reducing staff. The situation in the current organizational reform is quite different. Objectively, as we are advancing toward a market economy, government functions should be changed. Under such circumstances, streamlining is a must. This offers us an opportunity and also represents the general trend. Therefore, the current organizational reform will surely succeed.

Deputy From Shanghai: Strive To Establish Market Mechanism Before the Others

Wu Bangguo, secretary of the municipal party committee: The idea of seizing the opportune time, speeding up development, and pushing the economy onto a new stage runs through Premier Li Peng's report. Comrade Xiaoping urges Shanghai to "make a change in one year and a great change in three years" and, though a late-comer, to surpass the old-timers.

Encouraged and guided by Comrade Xiaoping's important speeches, and with the support of the central authorities, Shanghai has accelerated its pace of reform, opening up, and economic construction. Last year, its economic growth rate reached 14.8 percent, higher than the nation's average rate for the first time. Both the number of foreign-invested projects and the amount of foreign funds introduced to its suburbs and suburban counties were higher than the previous 12 years. A total of \$3.36 billion in foreign funds were directly used by the municipality according to agreements in the development of more than 2,000 projects. This was higher than the total for the previous 12 years. In January and February this year, some \$1.5 billion in foreign funds were used in more than 500 projects. The development of the securities exchange was also much faster than expected. In January and February this year, the transaction volume reached 77 billion yuan, higher than last year's total. Markets for major productive elements, including metal and coal, have been opened to business one after another. The proportion of output value of the tertiary industry in the GNP increased to 33.1 percent last year. The input into construction of basic facilities was also a record high. There are now very good opportunities for the development of Shanghai, which has become a new flashpoint of foreign investment, including many big companies and transnational corporations. The key problem at present is to seize this rare opportunity and do solid work to achieve further development. Of course, in the course of development, we

must also continuously sum up our experiences so that big mistakes can be avoided. This year, we must strive to make the rate of Shanghai's economic development reach 12 percent and increase the quality, returns, and marketability of our products. Enterprises must make positive efforts to change their mechanisms so that they can converge with the international economy. What is more important, it is necessary to speed up readjustment of Shanghai's industrial structure and product mix, actively develop a number of new pillar industries such as automobile, communications, and mechanical and electrical integration industries, vigorously develop the tertiary industry, and give play to the functions of the municipality. Shanghai does not have the superiority of cheap labor but does have the comprehensive superiority in economy and science and technology. Shanghai must develop its strong points and overcome its weak points in the course of economic development and must continue to follow the road of science and technological progress. It must actively develop new and high technology industries and transform its traditional industries with new and high technologies. Only thus can it push its economy onto a new stage.

Shanghai should make still greater efforts to create conditions for establishing the first operational mechanism of the socialist market economy in the country before the others.

Deputy From Jiangsu: If Development Rate Can Be Accelerated, It Should Be Accelerated

Chen Huanyou, governor of Jiangsu Province: Premier Li Peng's report is really inspiring. Our country's reform, opening up, and economic construction have entered a new stage of vigorous development. Our national economy will continue to advance onto a new stage. Jiangsu is a coastal province with a relatively good economic foundation. It has the conditions to develop faster than the nation's average speed. We plan to make our economic growth rate reach 10-12 percent, so that the whole nation's development speed can be guaranteed. This is a duty we should fulfill. We must take "seize the opportune time, speed up development, seek truth from facts, and be faster and better" as the guiding policy for our current economic work and for a period to come and unify our thinking and understanding, clarify the main orientation of our work, and improve our work method with the idea of "being faster and better." On the question of development rate, we must not impose uniformity on various areas and units. We should not place manmade restrictions on places which can develop faster, nor should we "whip" and put pressure on those places which cannot develop faster for the moment. Jiangsu's economic development should be faster and better than the average level of the nation. The key lies in promoting reform, opening up, and development in a comprehensive way. We must further emancipate the mind, seek truth from facts, seize the opportune time, and accelerate development. We must further enhance our sense of opening, open up more spheres to the

outside, improve the investment environment, and vigorously develop an export-oriented economy. With the establishment of a socialist market economy structure as our target, we must get more ideas for reform, continue to carry out market-oriented reforms, and give full play to the role of market mechanism.

Deputies Demand More Concern for Education

HK0204062993 Beijing ZHONGGUO XINWEN SHE in Chinese 0948 GMT 28 Mar 93

["Commentary on two sessions" by staff reporter Guo Weifeng (6753 0251 6912): "China Must Guard Against the Submersion of Talented People by the Surging 'Sea of Commerce'"]

[Text] Beijing, 28 Mar (ZHONGGUO XINWEN SHE)—The Chinese People's Political Consultative Conference [CPPCC] closed yesterday and the National People's Congress [NPC] was drawing to a close. But these "two sessions" have sent forth a bright SOS [preceding published in English] signal indicating that China is facing a crisis of talented people. This will grip the minds of the people in the country.

A simple summation of NPC deputies' and CPPCC members' opinions will make us feel the grimness of this problem.

Talented people in the field of natural science: The minds of young and middle-aged scientific research personnel are vacillating under commodity economic influence, and there is a trend of disintegration among them. CPPCC member Fang Hongqi pointed out that if the backbone scientific research contingent disintegrates, it will be quite difficult to reorganize it.

Talented people in the field of social sciences: Many young and middle-aged academics and experts engaged in literary, historical, and philosophical research have given up their research work to do business because they cannot take a direct part in the market economy due to the limitations of their professions. Professor Wu Tingdong from the Guizhou University History Department bitterly said: "The serious consequences resulting from this situation will become prominent 10 years later. If no talented people engage in historical or philosophical research in the future, what will China's situation look like?"

NPC deputies and CPPCC members were also very concerned about the transfer direction of talented people in all trades and undertakings. Sun Zhongxiu from the Chinese Academy of Social Sciences made these remarks: In the past, talented people "went to factories, to the grass-roots level, and to wherever the motherland needed them." Now they "go to companies, to foreign countries, and to wherever they can make money."

What worries NPC deputies and CPPCC members most is that the headquarters where talented people are trained is facing difficulties: Education is being strongly

pounded by the big economic tide. Guangxi University President Yu Shuxia pointed out: The 10-year Cultural Revolution had caused a "gap" in China's education; now talented people in educational circles are going to the "sea" [entering business], if this does not receive full attention and if no measures are taken, there could be a new "gap" in China's education. The consequences will be dreadful to contemplate.

China has always been a country where talented people emerge in large numbers. Particularly in the last 40 years, Chinese have appeared in every sophisticated scientific and technological field around the world. But we have felt that the upcoming 21st century will be a century of competition between talented people; if talented people do not bear a strong national feature, China will find it difficult to stand firm among world powers.

Therefore NPC deputies and CPPCC members actively proposed ideas to the government so that it will take effective measures and steer the "ship" ahead for talented people into the 21st century, riding the wind and cleaving the waves.

In their opinions, the state should further increase educational investment and improve treatment of teachers, particularly young teachers.

They said that to form an atmosphere of respecting knowledge and talented people in the entire society, the first thing to do is to recognize the social value of talented people and knowledge.

They pointed out the need to create professional development opportunities for talented people so that they will be able to display their talents to the maximum.

As they see it, the 130,000 Chinese students studying abroad constitute a large storehouse of talented people; better measures should be taken to attract them back.

They added that in reform, opening up, and developing the market economy, China needs to introduce talented people from different countries in the world.

At a time when China wishes to scale a new height in economy, a crisis has occurred in which intellectuals are forsake. Will China's historical pace remain stable?

When the "captain" and "first mate" go down to the "sea," will this huge ship of economy be able to sail ahead?

In the next century, will China be able to realize the beautiful wish that "talented people will emerge in large numbers and all fields will flourish for hundreds of years?"

Heilongjiang Governor on Border Trade

OW0204121193 Beijing XINHUA Domestic Service in Chinese 0943 GMT 29 Mar 93

[By reporter Wang Laixi (3769 0171 0823)]

[Text] Beijing, 29 Mar (XINHUA)—The Information Center for the current sessions of the National People's Congress [NPC] and the Chinese People's Political Consultative Conference [CPPCC] held a news conference for Chinese and foreign reporters at the International Restaurant today, with more than 200 people attending. Governor Shao Qihui of Heilongjiang Province, Chairman Wang Rensheng of the Harbin People's Congress Standing Committee, and Mayor Chi Jianfu of Qiqihar answered reporters' questions.

When the news conference began, an ITAR-TASS reporter first asked: Will the current unstable political situation in Russia affect economic and trade relations between China and Russia? Shao Qihui said: Over the past five years, our province has enjoyed an increase of more than 60 times in border trade with Russia and other CIS states, despite the disintegration of the former Soviet Union. The reason for the trade boom is that it is mutually beneficial. The first two months in this year witnessed a 87 percent increase of trade with Russia over the same period last year. In the future, no matter how Russia's political situation changes, our economic and trade ties will continue to expand on the basis of the Five Principles of Peaceful Coexistence.

A reporter asked: What kind of role will Heilongjiang play in border trade? Shao Qihui answered: In 1992, the total value of our border trade and economic and technical cooperation amounts to 2.12 billion Swiss Francs, accounting for two thirds of the total border trade in China and one third of China's total trade volume with CIS states. Heilongjiang's border trade has become China's main force of trade with CIS states. In 1992, Heilongjiang's total import and export volume amounted to \$2.86 billion, ranking 10th among all the provinces in China and first among 19 inland provinces, effectively mobilizing the economic development in the province.

Responding to a reporter's question about Heilongjiang's concept and major measures for strategically opening the border wider to neighboring countries, Shao Qihui said: The general concept is to shift the border trade from helping supply each other's needs under the planned economy to international cooperation under the market economy; and to increase economic growth, readjust the economic structure and enhance economic efficiency by developing an export-oriented economy. Our major objectives are to create an economic and trade framework which meets the requirements of the market economy and conforms to international practice; to create a regional cooperation structure characterized by open border areas and areas along rivers and railroads, by cooperation with Russia's Far East region, and by cooperation between counterpart industries of the two countries; and to create an export-oriented economic structure. To attain the objectives, we should first open up a major international trade passage with Harbin as the center. Next, we should take further steps to implement the policy of cooperating with enterprises in the south at home and opening up the northern

border, carry out large-scale cooperation with counterpart Chinese and foreign industries, and readjusting Heilongjiang's industrial structure. Third, while promoting cooperation with Russia's Far East region, we should also promote cooperation with Russia's hinterland, East Europe, West Europe, Korea, Japan, the United States, and Canada and actively participate in Northeast Asia's international cooperation.

On the question of how to deal with pirated, fake or inferior goods in border trade, Shao Qihui said: We attach great importance to this problem and will resolutely make comprehensive efforts to deal with it so as to improve the quality of export goods, stop the source of pirated, fake or inferior goods, and prevent them from export. The governments at various levels will instruct the departments concerned to conduct a comprehensive inspection of export-goods producers and impose harsh punishment on any enterprises which produce pirated, fake or inferior goods, including the revocation of operating permits. In addition, commodity inspection departments, industry and commerce administrative departments, customs offices, and joint inspection departments at various levels are also taking necessary measures to deal with the problem.

When asked about how to invigorate large and medium enterprises, Chi Jianfu, Qiqihar mayor and NPC deputy, said: Heilongjiang has 427 large and medium enterprises which produce 65 percent of the province's total industrial output value and 70 percent of the total industrial profit delivery and tax payment. With the furthering of reform and opening up, we have achieved remarkable results in reforming large and medium enterprises by promoting the share-holding system, payment of tax plus a percentage of profits to the state, and the operational practice of joint ventures, cooperative enterprises, and wholly foreign-owned enterprises, as well as the practice of progressive contracts and other operational practices. In 1992, the large and medium enterprises increased their output value by 6.9 percent, 1.4 percentage points higher than the province's industrial output value increase as a whole. The profit delivery and tax payment made to the state by large and medium enterprises amounted to 7.07 billion yuan in 1992, up 8.6 percent from 1991. From now on, we will reform one half of large and medium enterprises by implementing the share-holding system in them in about five years. In the meantime, we will carry out a "grafting [jia jie 1268 2234]" reform in one third of the large and medium enterprises. The rest of the large and medium enterprises will be required to change their operational mechanisms, declare bankruptcy, be merged, or be auctioned out. We will integrate ownership reform with technological transformation in large and medium enterprises so that they can truly become the backbone of the economy.

A reporter asked about Harbin's plan and favorable conditions for seeking sponsorship of the Third Asian Winter Games. Wang Rensheng, chairman of the Harbin City People's Congress Standing Committee, said in reply: Since the start of reform and opening up, Harbin

has achieved rapid economic and social development. It has a comparatively developed economy, a good financial situation, and the economic ability to sponsor large-scale international athletic events. Harbin is an important city in Northeast Asia with adequate transportation and telecommunications facilities. A number of five-star or four-star hotels will be completed and start business. We have built provincial and city television stations of an advanced technological level. So, we will be able to provide good service in receiving Chinese and foreign athletes and visitors and in relaying sports events. We also have adequate winter sports facilities and the ability to handle large-scale international activities. We earnestly hope that the flags of the Third Asian Winter Games will fly over Harbin. We will sincerely make positive contributions to spreading the Olympic spirit and to the promotion of winter sports in Asia.

Li Lanqing, Liaoning Deputies on Economic Work

OW0204110093 Beijing XINHUA Domestic Service in Chinese 1215 GMT 31 Mar 93

[By reporters Li Xiaolin (2621 1420 2651) and Ling Guangzhi (7117 1639 1807)]

[Text] Beijing, 31 Mar (XINHUA)—Attending a discussion meeting with deputies of the Liaoning delegation today, Vice Premier Li Lanqing, member of the CPC Central Committee Political Bureau, said: It is necessary to seize opportunities and promote greater foreign economic and trade development.

Li Lanqing said: Following Comrade Deng Xiaoping's important talks during his inspection of southern China last year, our foreign economic relations and trade situation has been very good. The imports and exports trade volume has grown by a large margin. Last year, we approved over 40,000 Chinese-foreign joint ventures, cooperative enterprises, and exclusively foreign-owned enterprises, utilizing foreign funds totalling over \$11 billion, an amount that almost equalled the total sum for the previous 13 years. We have also made faster development in foreign economic cooperation and in contracting engineering projects.

Li Lanqing said: These achievements are results of further and deepened implementation of the guidelines of Comrade Deng Xiaoping's important talks during his inspection of southern China and of the party's reform and openness policy. They are also the results of the joint efforts of all the nation's people as well as a stronger comprehensive national strength. Speaking on seizing opportunities and accelerating foreign economic and trade development, Li Lanqing said: It is necessary to promote greater economic and trade development from now on by focussing our attention on solving the following problems: First, we must further upgrade the quality of existing export commodities. Currently, our major exports are light industrial and textile products as well as medium and small machinery and electronics products. However, for many years, we have been unable

to export finely manufactured goods. The qualities of some export commodities are very good but the qualities of their packaging are poor, which have thus affected exports and foreign exchange earnings. Second, we must readjust the structure of export commodities. In particular, we must export electronics products as complete sets of equipment. There are large markets in this aspect which we must actively develop, as we possess a competitive edge. Liaoning's machinery and electronics industry is very well developed. There are bright prospects for increasing machinery and electronics products exports, particularly the export of complete sets of equipment. Currently, we have given self-operating rights in foreign economic and trade undertakings to nearly 1,000 manufacturing enterprises nationwide to enable them to compete directly in international markets. We will continue to grant such self-operating rights to qualified manufacturing enterprises to compete in international markets. Third, we must export products manufactured largely with high technology. We possess fairly strong capabilities in scientific research but the problem is that we are unable to turn many scientific achievements into commodities. Together with the relevant State Science and Technology Commission departments, we recently examined and granted self-operating rights in foreign economic and trade undertakings to the first batch of 100 qualified scientific institutes. We will continue to grant such operating rights to more qualified scientific institutes so that they may forge better international cooperation, cooperate with foreign-funded enterprises or compete directly in international markets, and quicken the process of industrializing and turning scientific achievements into commodities. Fourth, we must continue to implement market diversification strategies. While continuing to maintain and develop existing markets, we should strive to open up new markets such as the CIS, Middle East, Southeast Asia, Central and South America, and Africa. Fifth, we must train more qualified personnel for foreign economic and trade undertakings.

Speaking on invigorating state-owned foreign trade enterprises, Li Lanqing said: This is an urgent issue. We must adopt macroeconomic controlling measures to effectively monitor the value and appreciation of state assets, to further invigorate the operating mechanism of state enterprises, and to earnestly implement the regulations on changing the operating mechanism of large and medium state enterprises. On the pilot shareholding system, he stressed: In countries with developed market economies, shareholding companies have to pass a strict examination before they can be listed in stock markets. Currently, our country can only approve a small number of pilot shareholding enterprises after examination. Allowing workers of state enterprises to hold a small number of shares is conducive to arousing their enthusiasm. However, we should only proceed with the experiments with strict standards after getting approval in accordance with relevant stipulations. In short, we should not rush into them.

Touching on the "development zone craze," Li Lanqing said: In establishing development zones, we must uphold

overall planning and rational arrangement, proceed according to our capabilities, earnestly carry out feasibility studies, and approve enterprise applications in accordance with stipulations. Another thing we have to bear in mind is that we should not allow unproductive enterprises to operate in development zones. We should combine the construction of approved development zones with the remodeling of old enterprises and old cities as far as possible. We may cooperate with foreign investors to establish "graft" enterprises by transferring entire or parts of enterprises to development zones. Original plant sites can be used to develop tertiary industries. We must avoid operating only extended and new establishments in development zones while ignoring the reconstruction of old enterprises.

Commentary Urges 'March Toward New Victories'

OW0204103893 Beijing Central People's Radio
Network in Mandarin 1030 GMT 31 Mar 93

[Commentary: "March Toward New Victories"; from the "National Hookup" program]

[Text] The First Session of the Eighth National People's Congress [NPC], a meeting which was the focus of the multitudes, closed victoriously after electing and deciding on state leaders for a new term and after approving a series of important resolutions.

The session was a meeting for electing new leaders and office bearers. It reviewed the great achievements of our country's reform and opening up and modernization over the past five years during the term of the Seventh NPC. It summed up our precious experiences over the past five years in pursuing the theory of building socialism with Chinese characteristics and in upholding the party's basic line, that is, we must tightly grasp economic construction as the center, uphold deepened reform and widened opening to the outside world, maintain social and political stability, uphold the strategic principle of "grasping the two links at the same time," further emancipate the mind, and carry forward a pragmatic work style.

The session was also a meeting that mobilized the nation's people to unite and strive for realizing our country's second step strategic objective in modernization. The next five years are crucial years that the Eighth NPC will have to face for realizing the second-step strategic objective. During these five years, we must fully implement the 14th CPC National Congress guidelines; seize opportunities; quicken the pace of reform, opening up, and modernization; depend on an optimized economic structure, technological advancement, and management improvement to upgrade economic efficiency; as well as strive to maintain a basic balance in total supply and demand in the society so as to bring the national economy up to a new level. To accomplish these fundamental tasks, the session made the necessary

adjustments to the major objectives of the Eighth Five-Year Plan for National Economic and Social Development.

Currently, the ripe domestic conditions and favorable international environment is precisely an opportune time for accelerating development. To accelerate development, we must do practical work. The session made heartening, down-to-earth, steady, and feasible planning for bringing the national economy up to a new level; for quickening the establishment of the socialist market economic system; for implementing reforms in administrative systems and governmental organizations; and for realistically promoting an all-round improvement. This session will definitely play the role as the greatest driving force in the process of our country's modernization. Various resolutions approved by the session have reflected the wishes of the people, and the new leading personnel of the state elected and appointed by the session are in conformity with the desire of the people. This shows that the party and country's third-generation collective leadership, with Comrade Jiang Zemin as the nucleus, has won the people's trust.

In more than half a month of hard work, over 2,900 people's deputies exercised their rights as masters of their own affairs. The sense of earnestness and responsibility they displayed in discussing political affairs, the enthusiasm they showed while engaging in thorough discussions with the party's and country's leading comrades in state affairs, as well as the session's important achievements, have all strongly illustrated that our country's fundamental political system of the people's congress is suited to our national conditions and one that meets the people's desires. It is a reliable guarantee for realizing the socialist democracy and for developing socialist undertakings. The people's congress system will definitely and increasingly display its powerful vitality and superiority.

Another historical meeting has ended and many new tasks are again placed in front of us. While bidding farewell to one another, the deputies shook hands and made future appointments. They vowed to seize the opportune time to quickly transmit the session's guidelines in all localities so that when they meet again next year, they will happily gather together with bountiful achievements. Let us unite closely around the party Central Committee with Jiang Zemin as the nucleus and march toward new victories under the guidance of Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics and guidelines of the 14th CPC National Congress.

Summary of Main Topics at NPC, CPPCC

OW0204085393

[Editorial Report] Beijing Central People's Radio Network in Mandarin, in its "Special Program on the National People's Congress [NPC] and Chinese People's Political Consultative Conference [CPPCC] Sessions" at

2300 GMT on 31 March, carries a nine-minute report on important topics discussed during both sessions.

The first topic mentioned is the State Council's plan, put forward on the second day of the First Session of the Eighth NPC to carry out organizational reform which aims at reducing the size of the staff at State Council organizations by 20 percent in three years. The announcer states: State Council Secretary General Luo Gan said in his briefing to the NPC session that organizational reform is carried out this time "for the purpose of meeting the needs of development of a socialist market economy" and with emphasis being laid on "transforming the functions of the government." The plan marks a "crucial step" taken by China in carrying out organizational reform. After Luo Gan made the announcement on 16 March, many people sitting on the seats for ministers believed "this is a wise step taken to meet the needs for establishing a socialist market economy system."

The issue of transforming state enterprises' operating mechanisms is one of the most heatedly debated topics during the NPC and CPPCC sessions held this year. Announcer stresses the need for transformation of the operating mechanisms of deficit-ridden industrial enterprises owned by the state, implementation of various national policies on enterprises, and actual transfer of economic decision-making power to enterprises as quickly as possible.

One of the important items top on the agenda for the NPC session are constitutional amendments. The CPC Central Committee put forward 11 proposals for constitutional amendment in February. They may be summarized as incorporating "the initial stage of socialism," "socialism with Chinese characteristics," "reform and opening up to the outside world," "replacement of the people's commune by the responsibility system with the household contract responsibility system with remuneration linked to output playing the dominant role," and "replacement of the planned economy by the market economy" in the Constitution. The fact that some people say "the Constitution standardizes reform and reform continuously perfects the Constitution" has become the most striking characteristic of the Constitution in force in China.

Touching on the issue of building a spiritual civilization, NPC deputies and CPPCC members have reached a common understanding that attaching equal importance to promoting reform and opening to the outside world, and at the same time cracking down on various criminal activities, is a very important task facing us under the current situation of promoting the development of the market economy because, otherwise, "money worship" will prevail and impede the "sound development of society."

The Hong Kong issue was a heatedly debated topic during the current NPC and CPPCC sessions. Hong

Kong people have gradually reached a common understanding "that the future of Hong Kong is inseparably related to the destiny of the motherland and that Hong Kong's prosperity is increasingly dependent on economic development in Mainland China." More and more Hong Kong compatriots have taken an increasingly active part in various social affairs during the latter stage of the transition to make contributions to promoting cooperation between Mainland China and Hong Kong, as well as for their own prosperity. However, Britain gave tacit consent to Hong Kong Governor Chris Patten's political reform proposal, which "disrupted the basis for talks between China and Britain," at a crucial moment, when both areas are making progress toward common prosperity and when Hong Kong began progressing to the latter stage of steady transition. A CPPCC member from Hong Kong pointed out sharply, "When the ruler of the colony withdrew, he would be sure to leave something behind that would become the root of trouble. Chris Patten is merely reenacting the practice." Some Hong Kong mass organizations and chambers of commerce issue statements recently condemning Chris Patten's disgusting conduct which "disrupts the Sino-British talks" and "harms the interests of the people of Hong Kong." Their statements "demanded that the British Government remove Chris Patten from his post and send a new governor to take his place" and meanwhile, "called on Hong Kong compatriots to unite, rely on the Chinese Government to protect their own interests, and strive for a bright future for Hong Kong."

The party and the state have always attached great importance to developing agriculture and protecting peasants interests. A series of important policies and measures adopted by the State Council and the CPC Central Committee on production and sales of grains and cotton will indicate their concern. Such policies and measures were, indeed, not fully carried out in recent years. Therefore, the general offices of the CPC Central Committee and the State Council issued emergency circulars during the period of the NPC and CPPCC sessions, requiring all areas to practically lighten the peasants' burden. In response to the call of the circulars, specific measures were successively taken in Sichuan, Jiangsu, Guangdong, and other provinces.

The government work report stresses the importance of giving strategic priority to development of education. NPC deputies and CPPCC members maintain that importance must be attached to supporting education which will produce long-term social benefits and to ensuring adequate state input in elementary education. Teachers should not be encouraged to find another part-time job to take the place of state input.

The last topic discussed in the roundup deals with discussions by NPC deputies and CPPCC members about harmonious relations between different minority nationalities, unity among all nationalities, and the "historical opportunity" for areas inhabited by minority nationalities to exploit favorable local resources and "accelerate economic development."

Resolution Approves Seventh NPC Work Report

OW020408389 Beijing XINHUA Domestic Service in Chinese 1153 GMT 31 Mar 93

[Text] Beijing, 31 Mar (XINHUA)—Resolution of the First Session of the Eighth National People's Congress [NPC] on the Seventh NPC Standing Committee Work Report:

Adopted by the First Session of the Eighth NPC on 31 March 1993:

The First Session of the Eighth NPC has approved the work report delivered by Vice Chairman Peng Chong on behalf of the Seventh NPC Standing Committee.

The session held that, during its term over the past five years, the Seventh NPC Standing Committee has adopted Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics and the party's basic line as its guidelines, undertaken the tasks of supporting and promoting reform and opening up as its primary duties, and strengthened the development of socialist democracy and legal system as its fundamental tasks. The committee has done highly effective work and attained outstanding achievements, particularly in legislation, supervision, and system development. The session expressed its satisfaction with the Seventh NPC Standing Committee's work.

The session asked that, based on the overall situation and tasks of the country over the next five years, the Eighth NPC Standing Committee continue to uphold the guidelines of building socialism with Chinese characteristics and the party's basic line, strengthen socialist democracy and legal system development as its fundamental tasks, earnestly fulfill its duties empowered by the constitution, and further bring into play its functions as a permanent organization of the highest organ of state power. The committee should quicken legislative work with the spirit of reform and opening up to the outside world. In particular, it should effectively draw up laws that ensure normal operations of the socialist market economic system, perfect the supervision system for strengthening the implementation of the constitution and laws, forge a close relationship with deputies and the people, and take further and effective measures to improve the committee's organizational system. The committee should make new and greater contributions toward upholding and perfecting the people's deputies system, toward promoting the construction of socialist democracy and politics with Chinese characteristics, and toward supporting and promoting reform and opening up as well as a better and faster development of socialist modernization.

Decision on Forming Macao SAR Government

OW0204042093 Beijing XINHUA Domestic Service in Chinese 1112 GMT 31 Mar 93

[Text] Beijing, 31 March (XINHUA)—National People's Congress [NPC] Decision on How To Form the

First Government, Legislative Council, and Judicial Organ of the Macao Special Administrative Region [SAR], adopted at the First Session of the Eighth NPC on 31 March 1993

1. The first government, legislative council, and judicial organs of the Macao SAR shall be formed in accordance with the principles of realizing state sovereignty and a smooth transition.

2. The NPC shall establish a Macao SAR Preparatory Committee which will be responsible for matters relating to the preparation and establishment of the SAR, and for formulating specific ways to form the first government, legislative council, and judicial organ in accordance with this decision. The preparatory committee shall be composed of mainland members and of Macao members who shall constitute no less than 50 percent of its membership; its chairman and members shall be appointed by the NPC Standing Committee.

3. The Macao SAR Preparatory Committee shall be responsible for preparing the establishment of the selection committee for the first government of the Macao SAR (hereafter referred to as the selection committee).

The selection committee shall be composed entirely of permanent residents of Macao and must be broadly representative. It shall include Macao deputies to the NPC, representatives of Macao members of the National Committee of the Chinese People's Political Consultative Conference [CPPCC], people with practical experience who have served in Macao's executive, legislative and advisory organs prior to the establishment of the Macao SAR, and persons representative of various strata and sectors of society.

The selection committee shall be composed of 200 members, with 60 from industrial, commercial, and financial sectors; 50 from cultural, educational, and professional circles; 50 from labor, social service, and religious sectors; and 40 former political figures, Macao deputies to the NPC and representatives of Macao members of the CPPCC National Committee.

4. The selection committee shall recommend a candidate to be the first chief executive through local consultations or through nomination and election after consultations, and report the recommended candidate to the central people's government for appointment. The term of office for the first chief executive shall be the same as the regular term.

5. The chief executive of the Macao SAR shall be responsible for preparing the formation of the first government of the Macao SAR in accordance with the Basic Law of the Macao SAR.

6. The first Macao SAR Legislative Council will be composed of 23 members, with eight members returned through direct election, eight returned through indirect election and seven appointed by chief executive.

If the composition of the last Macao Legislative Council is in conformity with the relevant provisions of this decision and with the Basic Law of the Macao SAR, those of its elected members who uphold the Basic Law of the Macao SAR of the PRC and pledge allegiance to the Macao SAR, and who meet the requirements set forth in the Basic Law of the Macao SAR may, upon confirmation by the Macao SAR Preparatory Committee, become members of the first legislative council. If there is a membership vacancy, the Macao SAR Preparatory Committee shall make the decision on filling up the vacancy.

The term of office for members of the first legislative council of the Macao SAR shall end on 15 October 2001.

7. The Macao SAR Preparatory Committee shall be responsible for preparing the establishment of the Macao SAR court in accordance with the Basic Law of the Macao SAR.

Li Peng Government Work Report Revised

*HK0204023093 Hong Kong WEN WEI PO in Chinese
1 Apr 93 p 4*

["Special Dispatch" by staff reporting group: "Government Work Report Adopted with More Than 70 Supplements and Revisions"]

[Text] Beijing, 31 March—According to an authoritative source here in Beijing, the "Government Work Report" delivered at the recent National People's Congress [NPC] has been examined and discussed by both the NPC deputies and the Chinese People's Political Consultative Conference [CPPCC] National Committee members. As a result, more than 70 supplements and revisions have been made with most revisions concerning the wording of the report.

On the question of further expanding opening up, the original sentence of the report read: "It is necessary to speed up exploitation and opening up of Shanghai's New Pudong Zone." However, the revised sentence now reads: "It is necessary to speed up opening up and exploitation of Shanghai's Pudong as well as Guangdong, Fujian, Hainan, and areas along the Bohai Sea." The new sentence is not only more complete but also shows that various southern provinces which have taken the lead in reform and opening up as well as areas along the Bohai Sea in the north will also be major areas to witness expanded opening up. The paragraph after this is a short one devoted to the issue of having the problem of food and clothing resolved within the next five years. To this paragraph, one more sentence has been added, which reads: "The state must continue to implement and carry out policies of assisting development of ethnic minority areas, poverty-stricken areas, old revolutionary bases, and border areas." The revised version undoubtedly highlights the view that measures should be taken to prevent the gap between the rich and the poor from being widened to an excessive extent.

volume of highway freight reached 361.7 billion ton-kilometers, up 36 percent. The number of telephones in urban and rural areas totalled 28.6 million, up 110 percent. Over five years, the total volume of import-export trade doubled, and reached \$165 billion in 1992. At the same time, our foreign exchange reserves increased correspondingly. In five years, we used \$60.9 billion of foreign capital, equal to 1.60 percent of the total amount of foreign capital used in the nine preceding years. **New achievements were made in capital construction and technical transformation.** In the five years, the society as a whole invested 2,600 billion yuan in fixed assets. A number of large basic industrial projects, infrastructural facilities, and key construction projects were successively completed. New successes were achieved in geological surveying, increasing the basis for further economic development in the days to come. During these years, we have made new progress in urban construction, bringing about great changes in urban appearance.

New progress was made in the building of the socialist spiritual civilization and in various social undertakings. The achievements in scientific and technological undertakings were remarkable, with a sharp increase in major scientific and technological accomplishments as compared with the five preceding years. Achievements in certain fields have reached or approached advanced international levels. The electron-positron collider has been put into operation, the Galaxy II supercomputer has been successfully developed, our astronautics industry has entered the international satellite-launching market. We have built a number of national-level new- and high-tech industrial development zones, and we have accelerated the pace of commercialization and industrialization of scientific and technological achievements. **Fairly great progress has been made in education.** Over the past five years, investments made by the state and various quarters of society in education totalled 320 billion yuan, showing an increase of 171 billion yuan as compared with the five preceding years. Elementary school education has been made universal in 76 percent of China's counties, and junior middle school education has been made universal in most cities. New progress was made in the development of higher learning. During the past five years, we trained 5.84 million graduates of regular and specialized courses and 172,000 postgraduates. Major adjustments were made in the structure of education, and vocational education and adult education developed rapidly. The number of students studying in secondary vocational schools was nearly 50 percent of the number of senior high school students. As educational reform deepened, the quality of education improved.

We scored marked achievements in the field of family planning. The birth rate declined five per thousand, which means 15 million fewer babies were born during the past five years. New progress was made in sports and physical culture. We successfully hosted the 11th Asian

Games. At the Asian Games and other major international competitions, we also scored outstanding successes. We also made new progress in the fields of culture, art, the press and publishing, broadcasting, television, movies, social sciences, medical science and public health, and environmental protection. While carrying out the building of a material civilization and a spiritual civilization, we also made new advances in developing socialist democracy and the legal system.

An important step was made in reform and opening to the outside world. In the countryside, the responsibility system, the main form of which is the household contract that links remuneration to output, and the dual management system that integrates household and collective operations continued to stabilize and improve. In urban areas, we adopted new reform measures, the major purpose of which is to increase the vitality of large and medium-sized state-owned enterprises, to transform their operating mechanisms, and to transform the functions of government. While consolidating and developing the state sector of the economy, the individual sector, private sector, the foreign-funded sector, and other sectors of the economy in our country further developed. We made improvements in macro-level economic regulation, and the role of market mechanisms was clearly strengthened. The markets for consumer goods and the means of production expanded. Various markets for money, technology, labor, information, and real estate began to take shape. We made a big stride forward in the reform of prices. We adopted a system by which the state purchase and marketing prices of grain were the same. The prices in some localities were lifted. The prices of the overwhelming majority of farm and sideline products and manufactured consumer goods were decontrolled. The prices of the majority of the means of production were also lifted. The scope of the "double-track system" for prices was narrowed. As a whole, the proportion of products whose prices are determined by markets has risen from about 50 percent five years ago to about 80 percent at present. Reforms in the housing system and the system of social insurance have entered the stage of implementation on a larger scale. Our opening to the outside world has further expanded. An all-directional opening pattern embracing cities along the coastal areas, in the areas along the Chang Jiang, along the border areas, and of provincial capitals in the hinterland has taken shape. Marked achievements were made in the economic special zones, open cities and open areas along the coast, and economic and technological development areas. The pace of opening Shanghai's Pudong area to the outside world and of developing it was clearly accelerated. Reforms in the foreign trade system in making enterprises responsible for their own profits and losses, and in breaking monopolistic operations, have been carried out. The state has stopped giving foreign trade enterprises export subsidies. A number of enterprises have been given import and export operation rights; all these measures have contributed to the sustained increases in foreign trade.

On the issue of national defense modernization, Li Peng emphatically stated in a circular explaining report revision work he signed for distribution among the NPC deputies on 27 March: In accordance with the opinions of the Central Military Commission General Office, the original sentence has been reworded and now reads: "The People's Liberation Army must take Comrade Deng Xiaoping's thought on army building in the new period as a guide; make unreserved efforts to successfully accomplish all reform and construction tasks according to such requirements as 'political integrity, military competence, fine style, strict discipline, and efficient guarantees'; develop our army's fine traditions; and take the road of building a strong army with Chinese characteristics...." All the ideas were enshrined in the original sentence. However, the rewording of sentence probably shows that the authorities were careful and prudent in revising the work report.

Another revised sentence also attested to prudence on the part of the authorities: The report originally read: "We are resolutely opposed to any forms of 'two Chinas' or 'one China, one Taiwan'." After revision, 'one country, two governments' has been added to the sentence and appears immediately after 'one China, one Taiwan.' The revised sentence is more complete. This shows that the authorities were very careful with the report's wording.

On the question of Taiwan, the original sentence of the report read: "We will continue to push ahead with economic and cultural exchanges between the two shores; promote direct postal, transport, and trade relations; and create conditions for peaceful reunification." However, this sentence has been slightly changed. Its final version reads: "Both sides should continue to push ahead with..." rather than "We will continue to push ahead with..." However, the paragraph devoted to the question of Hong Kong and Macao remains unchanged.

Approved Version of Work Report

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[Approved version of the Government Work Report by State Council Premier Li Peng at the First Session of the Eighth National People's Congress (NPC) on 15 March 1993; version originally submitted by Li Peng at the NPC opening was published in the 15 March China DAILY REPORT, pages 25-40]

[Text] Beijing, 15 Mar (XINHUA)—Report on the Work of the Government

—At the First Session of the Eighth National People's Congress [NPC] on 15 March 1993

State Council Premier Li Peng

Fellow deputies:

On behalf of the State Council, I now submit a report on the work of the government for your examination, and

also for suggestions and comments from members of the National Committee of the Chinese People's Political Consultative Conference [CPPCC] and other observers.

I. The Five Years of Great Achievements in Reform, Opening Up, and Modernization

It has been fully five years from the convening of the First Session of the Seventh NPC to the convening of this session. During those five years, China enjoyed vigorous economic development and continual social progress. Our country's overall national strength continued to increase, and significant successes were scored in all fields of endeavor. Ample facts have fully proven that the past five years were the five years in which Chinese people of all nationalities continued to march forward along the socialist course with Chinese characteristics under the leadership of the CPC, as well as the five years in which the great achievements made in reform, opening up, and modernization since the Third Plenary Session of the 11th CPC Central Committee were consolidated and developed.

Our national economy continued to grow. In 1992, the gross national product [GNP] was almost 2,400 billion yuan, and over the past five years the average annual growth rate was 7.9 percent. The rural economy was developed in an all-around way and restructured continually. The gross value of agricultural output increased, on average, 4.9 percent annually. For four years in a row, bumper harvests were reaped in grain production—which once was in the doldrums. As a result of the growth in grain reserves, our country has become more capable of dealing with shortages during lean years. The output of all economic crops and other agricultural and sideline products has also increased. As the result of the "food basket" project, the supply of nonstaple foods in urban areas was ensured. Village and town enterprises maintained their vital momentum of growth. During the five-year period, their output value increased two-fold. Having employed more than 100 million workers in rural areas, these enterprises have now become an important force in the national economy. New headway was also achieved in afforestation, water conservancy, and farmland capital construction. Industrial production enjoyed relatively high growth. During the five-year period, the gross industrial output value grew 15 percent annually on the average. Compared with that of 1987, the output of steel increased 42 percent in 1992, reaching 80 million tonnes. Raw coal output increased by 20 percent and reached 1.1 billion tonnes. Electricity generating capacity increased by 46 percent and reached 165 million kw. Crude oil output continued to increase and hit 142 million tonnes. Industrial products for agricultural use rose steadily. The upgrading of consumer goods was accelerated, and their variety of colors and designs increased. New developments were made in transportation, postal services, and telecommunications. The volume of rail freight was 1.162 billion ton-kilometers, up 23 percent. The cargo handling capacity of coastal harbors totalled 590 million tonnes, up 59 percent. The

There have been further increases in the people's incomes and living standards. Per capita incomes for the living expenses of urban citizens reached 1,826 yuan in 1992, posting an increase of 910 yuan over 1987. Per capita incomes for citizens in rural areas reached 784 yuan, an increase of 321 yuan. Both urban and rural citizens saw a great increase in their savings deposits. A total of 920 million sq meters of floor-space in new housing was built in urban areas, and 3.6 billion sq meters of floor space of new houses was built in rural areas. Living conditions have gradually improved. The markets are thriving and brisk. There are abundant supplies of goods on the market. Commodity prices have been relatively stable. People's consumption levels have further risen. Our country's present per capita consumption of eggs, meat, and edible vegetable oil has equalled or neared average international levels. The number of durable goods such as televisions and refrigerators has reached the level of a moderately-developed nations. The average life span of our people has already reached about 70 years, reflecting the general improvements in quality of life.

Here, I would like to point out in particular that the year 1992, which was marked by the important talks given by comrade Deng Xiaoping and the convening of the 14th national party congress, was a year in which the reform, the opening to the outside world and the modernization drive entered a new stage of vigorous development. Everywhere the people's minds were being further emancipated and new trails were being blazed. The whole country was seething with activity, and a new outlook was spreading. The broad masses of cadres and the people have been injected with more vigor, and the pace of reform and opening has been accelerated. New progress has been scored in transforming the operation mechanisms of state-run enterprises. New breakthroughs have also been made in price reforms. The role of the market has been further enhanced. A number of important measures have also been introduced for reforms in other fields. The scope and sphere of opening to the outside world have been further expanded. We have opened five coastal cities, 18 provincial capital cities, 13 border cities, and 34 additional open ports, forming a new pattern of opening on all sides. The year of 1992 marked a year in which our country attracted the most foreign capital since the implementation of the policy of reform and opening. The national economy showed rapid growth. The GNP posted a 12.8 percent increase over the previous year. Marked progress has been scored in various social undertakings. In particular, the 14th national party congress decided on the socialist market economic system as the objective of reform. It has important significance in terms of both theory and practice for further deepening reform, opening our doors wider to the outside world, and promoting modernization. The year that just passed was one in which we took a big step forward on the road of socialist modernization.

Deputies! We have accomplished the various tasks decided upon by the Seventh NPC in the past five years. All our achievements were a result of industrious labor,

unity, and struggle by the people of all nationalities across the country, under the leadership of the CPC. On behalf of the State Council, I would like to express my sincere thanks to the people of all nationalities across the country for their confidence in and support of the government's work.

Deputies! The achievements scored in the past five years were hard-earned. We conscientiously upheld and implemented the party's basic line, persisted in making economic construction our central task, adhered to the four cardinal principles, persisted in carrying out the reform and opening policy, carried out the campaign to improve the economic environment and rectify economic order in a down-to-earth manner, overcame various difficulties, went through rigorous trials, maintained social and political stability, and promoted economic development as well as social progress under the complicated conditions of the domestic turmoil and counterrevolutionary rebellion that broke out in Beijing at the turn of spring and summer in 1989 and the drastic changes taking place in the international situation. Our practices over the past five years fully demonstrated the vigorous vitality of our social system, as well as the strong, cohesive, rallying power of the Chinese nation. Our great socialist motherland will stand erect in the Orient of the world forever.

While affirming our achievements, we are soberly aware that there are still shortcomings and mistakes in our work. Difficulties and problems still exist in our endeavor to promote social and economic development; we still have not achieved very high economic returns in production, construction, and the sphere of circulation; we have not brought about a fundamental change to an irrational production structure; the agricultural sector as the foundation of the national economy is still relatively weak; the development of infrastructures, basic industries, and tertiary industries lags behind; our distribution relationship still has not been straightened out; the state still faces financial difficulties; the building of a socialist spiritual civilization and the building of the legal system still fall short of the needs of reform, opening up, and the modernization drive. Bureaucratism, formalism, selfish departmentalism, and the work style of divorcing oneself from the masses still exist in government organizations; and such corrupt conduct as graft, bribe-taking, favoritism, malpractices, and so forth by a small number of personnel holding public office have damaged the close ties between the government and the masses of the people. It is definitely necessary for us to attach a high degree of importance to these problems and conscientiously work to solve them.

Fellow deputies, the most fundamental reason for our having made new achievements in the complicated and difficult international and domestic situation over the past five years is that we have upheld the party's basic line and follow the road of socialism with Chinese characteristics. To successfully accomplish our various future tasks, we must continue to pay attention to the following several points in our work:

We must firmly carry out economic construction as the central task. The basic task of socialism is to liberate and develop the productive forces. In the past five years, the party and the state have always persisted in taking economic construction as the central task while handling a series of complicated international and domestic issues. This accords with the general trend and the conditions of the country and enjoys the people's ardent support. Things in the world are complex, and sudden changes take place. We should make conscientious efforts to solve problems whenever they are encountered. We must not deviate, however, from the central task of economic construction. All fields of work must be subordinate to and serve this central task. By so doing, we will be able to unite—on the broadest possible basis—the people of all nationalities across the country and patriotic compatriots residing abroad in order to make the country prosperous and powerful and to revitalize the nation.

We must persistently deepen reforms and open wider to the outside world. Reform and opening up are a powerful impetus for promoting the development of economic construction and other undertakings in our country. In the past five years, we have had achievements in social and economic development and fulfilled the tasks of economic improvement and rectification because we have persisted in carrying out reform and opening to the outside world. Only by unswervingly deepening reforms and opening wider to the outside world will we be able to resolve deep-seated contradictions in social and economic life and to advance economic development. Meanwhile, only by maintaining sustained economic development will we be able to ensure the continuous in-depth development of reform and opening up. In undertaking reform and development, we should correctly assess the situation, seize the opportunity, adroitly guide our action according to circumstances, and vigorously forge ahead.

We must maintain social and political stability. Social and political stability is the basic prerequisite for ensuring the smooth development of reform, opening up, and modernization. To maintain social and political stability, we must uphold the four cardinal principles; this has a bearing on the fundamental interests of the people of all nationalities throughout the country. We must greatly cherish the hard-won political situation of stability and unity. Practice has proved that the party's basic principles and policies laid down since the third plenary session of the party's 11th Central Committee are correct and effective. We must maintain the continuity and stability of policy and correctly handle contradictions among the people and the relations of interests. Only thus will we be able to protect the enthusiasm of large numbers of cadres and people and to maintain social and political stability.

We must uphold the strategic principle of grasping two lines at the same time. Through the entire process of socialist modernization, we must persist in carrying out reforms and opening to the outside world while cracking

down on crime; in undertaking economic construction while promoting democracy and the legal system; and building a material civilization while developing a spiritual civilization. We must firmly grasp two links at the same time and must not emphasize one link to the neglect of the other. Spiritual civilization is both an important ingredient of socialism with Chinese characteristics and an important guarantee for the smooth progress of reform and development. It is necessary to take practical measures to strengthen the construction socialist spiritual civilization and the building of democracy and the legal system, and to punish corruption and promote a diligent and clean administration in a serious manner.

We must further emancipate our minds and promote a pragmatic workstyle. We should adhere to the ideological line of emancipating the mind and seeking truth from facts, keep forging ahead, and make a determined effort to innovate. On the one hand, we should be bold in thinking, action, and experimenting; on the other hand, we should stress reliability, looking back after taking each step to sum up experiences. We should stick to what is right, correct what is wrong, and make improvements where there are deficiencies in order to avoid losses, particularly big losses. As our overall policy has been determined, the key now lies in doing serious and solid work; we should by no means miss the opportunity for development. We should have the ability to promptly study and solve, based on changes actually taking place, problems as we move ahead. It is necessary to do our work in a creative manner and continually open up a new prospect for all undertakings.

II. Strive To Raise the National Economy to a New Level

The next five years are of crucial importance to attaining the second-step strategic objective of our nation's modernization. In economic construction, our basic tasks are: **to comprehensively implement the guidelines of the 14th CPC National Congress; seize the opportunity to quicken the pace of reform, opening up, and modernization; and upgrade economic efficiency and strive to maintain a basic balance between total supply and demand in society by means of structural optimization, technological advancement, and improved management to lift the national economy to another new level.** Domestically, we now have the conditions for development; the international environment is also favorable. In light of the new situation, the State Council has made the necessary adjustments for major targets for national economic and social development in the Eighth Five-Year Plan, and will begin studying and drawing up the Ninth Five-Year Plan and long-term development targets up to the year 2010. The readjustments to the Eighth Five-Year Plan targets have been printed and distributed to fellow deputies. After the adjustments, the national economic growth rate in the Eighth Five-Year Plan has been increased to 8 to 9 percent from the original average annual rate of 6 percent. If we can maintain this growth rate throughout the nation, we will be able to attain

within the next five years the magnificent goal—which was originally scheduled to be attained by the year 2000—of quadrupling the GNP of 1980. This will be a great inspiration for people of all nationalities in the nation. Toward this goal, we shall concentrate on carrying out work in the following fields in economic construction:

We must strengthen the role of agriculture as the foundation. Agriculture is the foundation of stability and development for the entire national economy. We must never neglect agriculture and must work hard to cause the rural economy to prosper in an all-around way. **We must readjust the agricultural production structure.** While maintaining a steady growth in production output, we must vigorously develop a type of farming that provides high yields of fine quality with maximum efficiency. We must work hard to ensure 475 million tonnes of grain output by 1997 and considerable growth in cotton, oil-bearing, and other crops, as well as forestry, livestock breeding, sideline production, and fishery. The proportion of other industries in the countryside shall also increase further. **We shall increase investment in agriculture, improve its production conditions, and strengthen infrastructure construction.** We should build water conservancy works, transform low- and medium-yield farmland, strengthen water and soil conservation, develop grasslands, harness deserts, develop agriculture-oriented industries, pay attention to raising quality and reducing cost, invigorate agriculture by applying scientific and technological advances and promoting education, actively popularize advanced, practical technologies, develop ecological agriculture, prohibit wanton use of cultivated land for non-cultivation purposes and stabilize sown areas for grain and cotton, and vigorously popularize improved varieties of crops and prevent pests to raise per unit yields. **We must vigorously develop village and town enterprises—helping the central and western regions, in particular, develop village and town enterprises.** Under the guidance of rational planning, we must gradually improve the layout of areas where village and township enterprises concentrate and accelerate the construction of small towns. **We must stabilize rural economic policies, deepen rural economic reform, and promote the development of a market economy in the rural areas.** We must persistently perfect the system of contracted responsibility based primarily on the household with remuneration linked to output, and the dual management system that combines household with collective operations; actively develop a multifaceted, socialized rural service system; and gradually strengthen the collective economy. We should further reform the circulation structure of agricultural products and establish and perfect a multilevel farm products reserve system. Protective pricing shall be instituted for important agricultural products.

The present rural economic situation is good; however, there also exist many questions that cannot be ignored. In recent years, the price disparity between industrial and agricultural products have widened somewhat; the peasants' incomes have not increased fast enough. In

particular, the unwarranted levies, fund-raising, and prorations, which are quite common in the rural areas, have excessively increased the burden of peasants. This has undermined the relationship between the state and the peasants. Governments at all levels must attach great importance to these questions and adopt effective measures to solve them earnestly in order to ensure that the peasants' burdens will be strictly controlled within the scope prescribed by the state.

The process of building the infrastructure and basic industries must be accelerated. As economic growth accelerates, the infrastructure, especially communications and transportation facilities, has become a major factor hindering national economic development. During the next five years, we will give priority to accelerating railway construction. We will build several major railways, including the Beijing-Jiujiang-Shenzhen, the Nanning-Kunming, and the Baoji-Zhongwei lines. Meanwhile, we will intensify our efforts in tapping the potential of the existing railways and rebuilding them so as to increase the passage capacity of railway bottlenecks. We will also give priority to building some new ports and rebuilding some old seaports to increase their handling capacity. We will accelerate the construction of high-grade highways, develop shipping services in inland rivers, and increase the ocean-going and coastal transportation capacity. We will continue to develop air transport services and plane manufacturing, accelerate the process of airport modernizations, and open more new air routes. We will accelerate the development of postal, telegraph, and telecommunications services; intensify the development of postal and telephone services in urban and rural areas; and adopt satellites optical cables, program-controlled equipment, and other new technologies so a network that can link all locations at home and abroad can be established in China. We will do a good job in controlling the Huai He, the Tai Hu, and other major rivers and lakes in a comprehensive manner, and intensify the construction of the Xiaolandi key water control project on the Huang He and the project of diverting water resources in southern China to northern China. The Three Gorges water conservation project was already approved by the Fifth Session of the Seventh NPC last year. We must now do a good job in relocating people displaced from construction areas. We must now work actively to create the conditions so the project can commence at an appropriate time.

We will intensify the construction of energy projects and implement the principle of emphasizing both development and conservation. The coal industry should rebuild its outmoded mines in the eastern parts of the country, actively develop and rationally utilize the resources in the central and western parts of the country, and rebuild and improve local mines and mines in townships and towns. The annual coal output should reach 1.3 billion tonnes in 1997. We will make great efforts to develop the power industry. The newly installed capacity should reach 65 million kw over the five-year period. In the oil industry, we will follow the principle of "stabilizing the

output in the east and developing resources in the west" and also make positive efforts to develop the nation's natural gas resources and oil gas on the seabed. China's energy—especially oil—supply is quite strained. We must pay attention to improving the efficiency of energy consumption.

We must step up efforts to promote the development of raw and seminished material industries. We must enable steel output to reach 94 million tons in 1997, and, meanwhile, improve quality and increase our product range. Efforts must be made to carry out technical transformation in old industrial bases and large- and medium-sized enterprises. We should actively improve the grade and level of light industry, textile industry, and other processing industries. It is necessary for us to revitalize the machine-building and electronics, petrochemical, automobile manufacturing, and building industries to turn them into pillar industries of the national economy. In addition, it is also necessary for us to step up geological prospecting to meet national construction needs.

Construction of infrastructural facilities and basic industries requires a large amount of funds. It is necessary for us to form a new investment mechanism by conducting reform to raise funds through various channels. Construction funds at the disposal of the government will be spent mainly on constructing key projects. Meanwhile, we shall gradually rationalize the collection of fees from infrastructure facilities, as well as the prices of basic industrial products, and establish and improve a system of special funds for special construction projects. We should expand the market finance and rationally use social funds. We should broaden the spheres of opening up and guide foreign businessmen to invest their funds in our infrastructure projects and basic industries.

Vigorous efforts must be made to develop the tertiary industry. We should make its growth rate higher than that of the gross national product. While focusing on improving communications, transportation, posts and telecommunications, science and technology, and education, we must vigorously promote the development of commerce, the service, banking, information, consultation, and tourism industries by increasing their service items and scopes. We should give play to the role of diverse economic sectors and promote development of the tertiary industry by relying on forces in society. We should gradually bring about socialization of service facilities at enterprises, institutions, and organizations. When conditions permit, the existing public interest-type [gong yi xing 0361 4135 0992], welfare-type [fu li xing 4395 0448 0992] and enterprise-type [shi ye xing 0057 2814 0992] units of tertiary industry must be gradually transformed into business-type [jing ying xing 4842 3602 0992] establishments that exercise independent economic decision making powers and assume full responsibility for their own profits and losses.

Vigorous efforts must be made to promote the development of science and technology. It is necessary for us to

continue implementing the guiding ideology that science and technology are the primary productive forces and enhance scientific and technological consciousness of the whole nation. We must rely on science and technology in carrying out economic construction. Science and technology must be geared to the needs of economic construction. In developing science and technology, we must gear toward the main battlefield of economy construction. We must integrate our efforts in applying the results of technological research, in developing new high technologies, and in strengthening basic research. We must draw up overall planning and rationally use our forces to make greater contributions to economic development. In our development and utilization of science and technology, we must focus attention on tackling the task of developing agricultural science and technology designed to churn out high-yield production of excellent quality products that will result in high economic returns; expedite improving the level of industrial technology as well as the quality of products; and focus attention on addressing such problems as better energy conservation and the rational utilization of resources, which urgently need a solution in the course of economic construction. We must follow the tracks of the progress of scientific and technological revolution in the world in conducting research in new high technology and strive to catch up with and outstrip the level of advanced countries in the world in the key fields of endeavor by organizing task forces to tackle important scientific and technological problems, doing a good job of assimilating and innovating imported technology, successfully running the new high-technology development zones, and quickening the pace of industrialization. We must give priority to such high-technology areas as electronics and information, increase investment in these sectors, and make efforts to spread their application in all spheres. Because research in basic science is the forerunner of scientific and technological development, it has a bearing on scientific and technological progress and the future of social and economic development. The state will grant special subsidies to this field of endeavor to maintain a steady contingent of basic science researchers and to successfully run a number of research organizations and labs at the state level. It is necessary for us to continue deepening reform of the system of science and technology, open up technological markets, and encourage scientific research institutions—provided they have the conditions to do so—to establish linkups with enterprises, participate in enterprise conglomerates, or transform themselves into scientific and technological enterprises.

We should create a new situation in education. To improve the quality of the entire nation is our country's major program of fundamental importance. We should earnestly implement the "Program of Educational Reform and Development in China" and put education in a strategic position for high-priority development. We should uphold the principle that "education must serve the socialist modernization drive, integrate with productive work, and aim to train builders and successors who

develop themselves morally, intellectually and physically in an all-around way." Attention must be paid to education for people from their childhood. In the next five years, governments at all levels should adopt effective measures and make great efforts to strengthen basic education, enforce compulsory education, and wipe out illiteracy among young and middle-aged people. Noticeable progress should be made in these areas. We should actively develop vocational education and adult education with distinctive features, and give adequate vocational training to workers before they take new jobs or new posts. We should reform the management system, educational structure, curriculum, and teaching methods for higher education. We should reform the system of student recruitment and the system of graduate placement, and strive to successfully run a number of key universities, colleges, and subjects. Government at all levels should increase investment in education, and raise education funds through multiple channels. They should actively explore how to establish a new system of running schools by government and by all circles of society with government playing the dominant role, as well as diversified forms of schools. It is necessary to step up building the contingent of teachers, to improve teachers' political quality, to raise the level of their vocational skills, and to improve the educational quality as well as the efficiency of schools.

Intellectuals play an especially important role in the modernization program. It is necessary to further foster a good prevailing practice of respecting knowledge and talents in society, and to create a social environment that can help intellectuals bring their role into full play. Determined efforts must be made to adopt major policy measures to actively improve intellectuals' working, studying and living conditions, and to solve the problem of low incomes facing intellectuals. We should continue to give special allowances and awards to the intellectuals who have made outstanding contributions. It is necessary to reform the personnel management system and promote a rational flow of qualified personnel. It is necessary to provide better protection to intellectual property rights and perfect the patent system. We should encourage intellectuals to face reality, carry forward the spirit of sacrifice, and bring into play their wisdom and talents during the modernization drive. As for personnel studying abroad, we pursue the policy of supporting them in studying abroad and encouraging them to return home, and of free entry and exit. We welcome them to participate in construction of the motherland in various ways.

It is necessary to open our country wider to the outside world. We should consolidate and develop the existing all-around opening pattern, and further expand the sphere of opening to the outside world. Special economic zones should accumulate experiences in building a socialist market economic system and bring their exemplary roles to play. Economic and technological development zones and new and high technology development zones should have overall and rational planning. Some

of them should integrate their operations with the transformation of old enterprises and old cities. It is necessary to stress efficiency and to refrain from the blind pursuit of output. They also should refrain from indiscriminate encroachment of farmland. Coastal open areas should stress development of an export-oriented economy and enhance their competitiveness on international markets. The pace to open and develop the new Pudong District in Shanghai as well as Guangdong, Fujian, Hainan and areas surrounding Bo Hai should be accelerated. It is necessary to give full play to the leading roles of areas along the Chang Jiang, border areas, and inland provincial capital cities in opening to the outside world and to bring about economic development in their radiuses.

With regard to foreign trade, strategies should be worked out to aggressively explore international markets, and there is a need to further raise the quality and grade of export products as well as readjustment of the product mix for export. We should greatly promote exports of machinery and electrical products, turnkey plants, and high technology products, and bring about a further growth in the import and export trade. It is necessary to continuously deepen reforms of the foreign trade structure and to establish a new type of foreign trade system that is suited to the actual conditions of China and in line with international practice. The state will give more autonomous powers to qualified enterprises and scientific research units in foreign trade operations. We will accelerate the development of international tourism and step up efforts to win engineering project contracts in foreign countries. The status of China as a GATT signatory country must be restored. It is unwise to exclude China, a big country with great market potential, from this international economic organization.

It is necessary to adopt more flexible ways to expand the sphere of attracting foreign capital, to continuously improve the investment environment, to protect foreign businessmen's legitimate investment rights and interests, and, in accordance with the state's industrial policy, to provide good guidance to foreign investment so as to promote the optimization of industrial structure and the raising of technological levels. We will further open domestic markets to foreign-funded enterprises, but we will also, according to law, step up tax collection management of foreign-funded enterprises.

On the basis of developing the economy, we will improve the people's living standards. In the next five years, the average real incomes of city and township citizens will rise around 5 percent annually; as for rural residents, it will be about 4-5 percent. With regard to urban areas, in addition to raising the quality of clothing and food, we will concentrate our efforts on solving housing and transport problems and on building more houses and improving transport facilities so as to bring about a greater improvement in housing and transport conditions. We will also step up the installation of telephones for households. As for rural areas, in addition to continuously improving food supply and housing conditions, we will concentrate our efforts on raising the quality of

clothing and articles for daily use as well as raising the percentage of households that own electrical appliances. Realizing a common prosperity is a fundamental requirement of the socialist system. We should firmly allow some areas and some people to become better off before others through their hard efforts and legitimate operations. While we will continuously try to overcome egalitarianism, we will also pay attention to the study of income issues and adopt concrete measures to prevent excessive income gaps in order to bring about and promote a common prosperity. To this day, the problem of clothing and feeding the people still has not been solved in a few parts of the nation. Solving this problem will be an important task for various levels of government in the next five years. To accomplish this task, the most important thing is for local people to rely on themselves and to make strenuous efforts. At the same time, the state should, in line with the policies of helping areas inhabited by people of minority nationalities, poor areas, revolutionary base areas and border areas, show great determination and adopt strong, effective measures to increase input, expand the scheme of creating jobs instead of handing out relief funds, organize personnel exchanges, rely on science and technology to help poor areas shake off poverty, and urge rich areas to render support to impoverished areas. China is a developing country with a large population. We cannot completely eliminate our economic backwardness and enable people throughout the country to lead affluent lives unless we work hard for several generations and carry forward the fine traditions of arduous struggle, building our country through thrift and diligence, and economizing wherever possible.

Fellow deputies, 1993 is a year in which we must fully implement the guidelines laid down by the 14th party congress; consolidate and develop the excellent situation; and bring about quick, satisfactory national economic development. The current situation of economic development, reform, and opening up is an encouraging one; however, we are also soberly aware that, while economic growth has been fast, there are certain weak links and some problems that have to be dealt with. For example, investment in fixed assets has been growing too drastically, the structure of investment is not entirely rational, communications and transportation services and the supply of energy and some raw and semifinished materials are still inadequate, the growth of bank credit and the amount of currency put into circulation is also relatively fast, and the potential pressure from inflation is increasing. Our plan to increase the GNP by 8 percent in 1993 leaves some room for unforeseen circumstances. This growth rate is for the nation. We don't seek uniformity in this regard; localities where conditions permit may, and should, be faster. Conditions differ from area to area and therefore they should not try to compete with one another for a high growth rate. We should instead give our attention to achieving better economic efficiency. **This year's economic priorities are:** Accelerating the pace of establishing the socialist market economic system, continuing to open wider to the outside world,

maintaining a steady agricultural growth and striving to have a good agricultural harvest, striving to invigorate large- and medium-sized state enterprises, intensifying the construction of communications and transportation facilities, increasing the output of energy and major raw and semi-finished materials, striving to maintain a basic balance in overall supply and demand, and achieving a unity of speed and efficiency. We must continue to increase production and revenue and to conserve resources and expenditures in a deep, sustained manner. The state still has financial difficulties today. Government at all levels must work hard to increase revenues and strictly control expenditures to ensure that their budgetary deficits will not be exceeded. While there will be an appropriate increase in money earmarked for credit and circulation this year, the needs in various quarters can hardly be satisfied. All departments and all localities must operate within their means and, proceeding from the overall interests of economic construction, support and expand macroeconomic regulation and control by state, and promptly deal with all economic difficulties and problems as soon as they have been discovered so that there will be sound national economic development on the whole. We must exercise appropriate control over investment in fixed assets, provide proper guidance for investment projects, ensure the needs of priority projects, and control investment in new projects so as to achieve higher returns from investment.

The tasks of reform, opening up, and economic construction in 1993 are formidable. With the exception of a few, all the aforementioned economic construction projects planned for the next five years have to be started this year. Thus, we must properly guide, preserve, and arouse the enthusiasm of the vast number of cadres and masses and make positive efforts to accomplish all projects so as to create even more favorable conditions for future developments.

III. Accelerating the Pace of Reform in Establishing a Socialist Market Economic Structure

The objective of economic restructuring in our country is to build a socialist market economic structure. In the 1990's, we are prepared to begin building a new economic system. The next five years will be a crucial period for us. Beginning this year, we must strive to achieve breakthrough advances in the following aspects:

We should accelerate the transformation of the operating mechanisms of state-owned enterprises. We must persist in allowing the long-term development of diverse economic sectors with public ownership, including ownership by the whole people and collective ownership, as the main body, supplemented by the individual, private, and foreign-funded sectors. All sectors of the economy must conform to the development of a socialist market economy. The key to reforming the state-owned enterprises lies in separating government administration from enterprise management and rationalizing the relations of property rights in order for enterprises to become real

legal entities and form the mainstream of market competition, which operate on their own, are responsible for their own losses or profits, develop themselves, and exercise self-restraint. We must conscientiously implement the "Regulations on Changing the Operating Mechanisms of Industrial Enterprises Owned by the Whole People." We should make further efforts to improve the contract responsibility management system currently in practice. The shareholding system should be allowed to develop soundly because it is a form of enterprise organization suitable to the development of a market economy. We should encourage development of enterprise groups. When conditions permit, efforts should be made to establish transtrade, transregional, and even transnational businesses. To improve management and raise efficiency, some small state-owned enterprises may, by means of bidding or tenders, be leased out or sold to be run by collectives and individuals. We should improve the management of state assets and step up the appraisal of assets, including land assets, in order to preserve and increase their value and to prevent them from sustaining losses. Enterprises owned by the whole people should give full play to their party organizations' role as the political core, adhere to and improve the system of the plant directors' assuming full responsibility, and rely on the working class wholeheartedly.

We should make vigorous efforts to develop all types of markets. We should gradually establish a fairly complete market system, focusing on enacting and improving market laws and regulations and on developing markets for essential production elements. We should continue to improve all types of commodity markets, and actively establish wholesale markets for farm products and means of production. Under the macrocontrol of the state, we should develop money markets, including those for stocks and bonds. We should develop labor markets in order to promote the rational flow of labor resources. We should develop technology markets in order to promote the commercialization and industrialization of scientific and technological research achievements. We should accelerate the reform of the system governing the use of land in urban areas, and establish a standardized market for real estate under the unified management of governments at all levels, in order to eliminate the current chaotic condition in real estate businesses. We should break regional blockages and the barriers between departments in order to promote the rational flow of commodities. We should strengthen market management, safeguard market order, and crack down on the manufacturing and marketing of fake and shoddy goods. We should accelerate the establishment of notarization organizations in society, and protect lawful operation and fair competition.

We must step up price reform. Under the precondition of maintaining basic stability in the overall level of the retail prices of commodities in the market, we must continue to increase the scope of prices subject to market regulation, gradually rationalize price relationships, and establish and perfect a mechanism that relies mainly on

market forces in shaping prices and a system under which the state regulates and controls the market. We must gradually lift price controls over grain procurement and marketing. Instead of relying on state subsidies, we should establish a grain risk-taking regulatory fund to promote the steady growth of grain production. The "dual-price system" for the means of production must be gradually eliminated. We must resolve the problem of low prices for coal, electricity, petroleum, railway transportation, and other basic industrial products, as well as the problem of a number of enterprises suffering from deficits because of policies in order to strengthen the ability of enterprises to develop on their own. The prices of a small number of scarce commodities and the fees charged by important basic facilities and public welfare undertakings should still be determined or approved by the state; however, timely adjustments should also be made based on the law of value and the relationship between supply and demand. The state should regulate, control, and supervise prices through establishing a price regulatory fund and a commodity reserve system, as well as through the use of economic means and necessary legal and administrative means.

We must further reform the labor wage system. Reform of the labor employment system should be carried out within the framework of relevant state laws to gradually allow enterprises to hire people on their own and individuals to choose their own jobs. State-owned enterprises should adopt flexible employment systems, popularize contract labor systems, and gradually break the practice of workers working permanently in enterprises with different types of ownership to promote rational distribution of our labor resources. Reform of the enterprises' wage system should be carried out under the precondition of maintaining overall balance between supply and demand and linking wages to performance to make the wage system compatible with the characteristics of the enterprises and reflect the principle of to each according to his work. Government agencies should implement a civil service wage system and unified national wage standards. Public institutions should institute a wage system compatible with the characteristics of their service. Institutions will adopt a wage system compatible with their characteristics; those institutions possessing the necessary conditions to adopt enterprise-style management and to be responsible for their own revenues and expenditures may operate with reference to the wage system of enterprises. We should, through reform of the price, housing, and medical systems, incorporate some of the welfare subsidies given to workers into the workers' wages in order to increase their cash incomes, thereby increasing the transparency of their incomes. We must establish a personal income declaration system and a system of maintaining personal bank accounts in order to strictly levy and manage personal income taxes. We must establish a number of new tax categories to prevent the gaps between individuals' aggregated incomes from widening excessively.

We must vigorously promote social security and reform of the urban and rural housing system. We must gradually

develop a social security system compatible with our country's current level of productive forces' development. We must particularly perfect unemployment and business insurance systems, raise the degree of socialization of retirement and medical insurance, and establish a social insurance system under which the burden of overall funds is reasonably shared by all. We must accelerate housing reform to gradually achieve commercialization of urban housing. We must push forward a system of investment in housing construction shouldered rationally by the state, the unit, and the individual to speed up urban housing construction.

We must improve and strengthen macroeconomic management. This is an important component in establishing a socialist market economy. State planning is one of the important means of macroeconomic regulation and control; however, we should continue to reform the work of planning. Our major tasks in the future are drawing up and carrying out long- and medium-term development programs and annual plans; doing a good job in forecasting economic development, in regulating and controlling aggregate supply and demand, and in constructing key projects; and accelerating the optimization of the economic structure so that we will achieve coordinated and stable national economic development at a higher speed. We should maintain a rational investment scale, optimize the investment setup, and raise investment returns. We should strengthen macroeconomic regulation and control over investments, reform the investment system, and fully utilize credits, interest rates, and other economic levers. We should do a better job in verifying feasibility studies on projects and making decisions in a scientific way, as well as give investors more responsibility for investment profits and capital returns.

We should further reform the financial and taxation system, improve the double-entry budget system, and exercise greater restraint over financial budgets. We should rationalize relations between the central and local authorities and between the state and enterprises in distribution. The orientation of reform is to practice the revenue-sharing system by central and local authorities and the system that requires state-owned enterprises to pay taxes and a percentage of profits to the state. We should constantly sum up experiences and gradually expand the scope of this experiment. Taxes are the main source of revenue for a state. Presently, the state is suffering serious losses in financial resources, and we should vigorously reform and perfect the taxation system, expand the ranks of tax collectors, improve the quality of personnel, and conscientiously strengthen the work of tax collection and management. Nobody should be allowed to overstep his power to reduce or exempt taxes.

Deepening reform of the financial system is an important key to establishing a socialist market economy. The responsibilities of the People's Bank of China are to regulate the monetary supply and the volume of credit funds, stabilize the value of the currency, and control

inflation. Specialized banks, such as the Industrial and Commercial Bank, the Agricultural Bank, the Bank of China, and the Construction Bank, should still perform the dual functions related to policies and business. Meanwhile, they should also transform themselves into commercial banks step-by-step. We should set up some policy-related banks to handle special loans, as well as set up some more commercial banks. We should conscientiously do a good job in running insurance companies, trust companies, financial companies, securities companies, leasing companies, and other financial institutions. We should reform the business and account-settling system of banks and other financial institutions in accordance with international practices and general rules. We should vigorously popularize the way of settling accounts through account transfers among financial institutions to reduce cash flow.

We should adopt comprehensive economic measures to step up economic legislation, and supplement such measures with necessary administrative means to give play to the functions of the departments in charge of auditing, supervising, statistics, and industrial and commercial administration, in order to gradually form a relatively complete macro control system. We should more effectively coordinate day-to-day economic work, in order to guarantee the normal operation of the national economy.

Building a socialist market economic system is a pioneering undertaking. Although we have accumulated some valuable experience, in the future we still need to explore our way as we move forward in the course of practice. We should use the criteria of whether a measure is conducive to developing the productive forces of our socialist society, increasing the overall strength of our socialist country, and improving the people's living standards, in daring to practice, making enthusiastic explorations, and working hard to accomplish the task of deepening reform in the next five years.

IV. Earnestly Carry Out the Reform of Administrative Management System and Government Organs

The reform of administrative management system and government organs is an important condition for establishing a socialist market economic structure and accelerating economic development, as well as a pressing task of political structural reform. The outstanding problems at present are the integration of government administration with enterprise management, irrationality of relationships, overstaffing of the government apparatus, and low efficiency. In our reform, we should revolve around the central link of changing the government's functions, and basically complete the task of reforming government organs at all levels within three years.

The State Council's current plan for reforming government organs was drawn up in line with the principle of changing functions, rationalizing relationships, streamlining administration, and upgrading efficiency. The emphasis is on strengthening departments in charge of macroeconomic control and supervision, and reinforcing

functioning departments in charge of social management. Some of the specialized economic departments should be turned into either industrial administrative organs or economic entities. Because our nation's market economic system is still in the process of taking shape, certain basic industrial departments that relate to the national economy and people's livelihood cannot be abolished at the moment; however, it is still necessary to vigorously streamline internal organs and cut personnel, so that such departments will no longer exercise direct supervision over enterprises. Through reform, the number of State Council constituent departments has been reduced to 41. Luo Gan, secretary general of the State Council, will make a special explanation on this and request fellow deputies' deliberation. Administrative bodies and organs directly under the State Council have been streamlined on a relatively large scale, and 18 departments remain after the streamlining. As such, the number of State Council ministries, commissions, and administrative bodies and organs directly under the State Council will be reduced to 59 from the existing 86, after a total reduction of 27. The number of nonpermanent bodies have been reduced to 26 from 85. Thus, we expect that the total number of people working in state organs at all levels in the country will be reduced by about 25 percent. Organs at the provincial levels or lower should be treated differently, considering the big differences among provinces in terms of economic development, population under their jurisdiction, and land areas. Local authorities must have a fair share of autonomy in this regard. The state will only set a limit for the establishment of organs and the size of their staffs, and will only differentiate between indispensable organs and organs established in a way appropriate to local situations. The establishment of organs of this category need not correspond with those of higher authorities. In restructuring their organizational reform, regions should do so along with the redemarcation of administrative areas. Energetic efforts must be made to streamline and reduce the size of agencies at various levels. For example, if a prefecture and a prefectural-level city are merged into one prefecture, their organs should also be merged in principle. Following the course of downsizing government organs while increasing services, county governments should turn the majority of specialized economic departments into economic entities or administrative bodies. For township organs, they should be streamlined and reduced along with building stronger grass-roots units and improving socialized services in rural areas. The number of nonproductive personnel should be reduced. During the course of organizational reform, the system prescribing the responsibilities of governments organs and functionaries at various levels should be established or improved. The functions, authorized sizes, and the number of staff workers of all administrative organs must be specified. Regions or departments that have accomplished their organizational reform should put in place a system of public service. Institutions should also proceed with

reform according to the principle of separating themselves from the government by turning themselves into community-oriented establishments.

Streamlining and reducing organs should proceed along with restructuring the composition of their staff members and to improve their proficiency. Generally speaking, the quality of government organs' personnel is quite good, and they also have administrative experience and specialized knowledge. Thus, their placement should be properly arranged when their organs are being streamlined. They should be given the necessary training so that these personnel can be useful in some other areas. Some people may be assigned to grass-roots units in charge of business administration, taxation, and law enforcement. Some may be assigned to work at institutions or companies that are economic entities. However, if the newly assigned job involves business, the person concerned must cut off all his links with his former unit. Taking advantage of one's power to engage in business or seek personal gains is strictly prohibited. Some personnel should be encouraged to leave government organs to set up tertiary industries themselves. Temporary personnel and personnel borrowed or transferred from other units should be earnestly screened and discharged. The retirement system should also be firmly implemented, but the retirees must be cared for politically and in terms of their livelihood.

When this session is over, the State Council's plan for organizational reform must be firmly executed. Local governments' plans for organizational reform should also be executed when these plans have been approved by their higher authorities. Organizational reform is a formidable and complex project. The current reform is only the first important step. Since county-level organs have gone on for many years with their reform and they have accumulated useful experiences, and counties' economic operations are basically regulated by the market, they may make bigger strides in their reform. We have comparatively little experience in reforming the organizations at and above the provincial level. So, the current reform measures are of an interim nature. We will continue the reform in this regard henceforth on the basis of summing up experience constantly.

After streamlining the administration, the responsibility of the government has become heavier, not lighter. The governments at all levels must seriously promote honesty and diligence among government functionaries. Government functionaries should seriously study and constantly improve their knowledge of the current policies and their vocational ability. It is necessary to strengthen administrative discipline and economic discipline, ensure that government decrees are known to all concerned, and correct the phenomena of disregarding orders and bans, so that all policies are truly implemented. We should further improve our work style, consider the public's sentiments, handle things impartially, and seriously overcome bureaucracy and formalism. During the entire course of reform and opening up, we should resolutely regard the anticorruption struggle as an important task,

with emphasis on investigation and handling of law and discipline violation cases involving leading organs and leading cadres and personnel of economic management, law-enforcement, and supervisory departments. Major cases of embezzlement, bribe-taking, and serious dereliction of duty must be thoroughly investigated and handled, and those who blame must be punished according to law no matter who they are. We should continue to make great efforts to correct the irregularities of various departments, trades, and professions, and investigate and punish the corrupt personnel who openly take advantage of their power to extort money or things and who refuse to offer service without receiving a bribe. The anticorruption struggle should be based on strengthening the legal system and be integrated with the institution and improvement of various other systems. All government functionaries must wholeheartedly serve the people, be honest in performing official duties, exercise self-discipline, and work selflessly for the public interests. Leading cadres should particularly set an example. We should regard diligence and honesty as important criteria for appraising cadres' job performance. During the course of organizational reform, it is strictly prohibited to rush promoting cadres or to divide up and seize state property. Violators of this prohibition should be sternly dealt with.

V. We Should Take Economic Construction as the Central Task To Promote Social Advances in All Fields

During the entire course of socialist modernization, the government should focus its work on the central task of economic construction, strive to promote an all-around development of social undertakings, and achieve social advances in all fields.

It is necessary to earnestly step up the building of socialist spiritual civilization. The building of spiritual civilization includes two aspects: the ideological and moral construction, and the scientific and cultural development. The spiritual civilization permeates the building of material civilization and exists in all realms of social life. The development of the market economy and the opening wider to the outside world have set new demands for the building of spiritual civilization. We should arm the vast number of our cadres and people with the theory on building socialism with Chinese characteristics. We should integrate the ideological education in patriotism, collectivism, and socialism with the education in history and national conditions to arouse patriotic zeal; enhance the cohesive capability of the Chinese nation; bolster our faith in building a socialism with Chinese characteristics; boost the pride, self-confidence, sense of historic mission, and sense of responsibility of our nation; and cultivate a new generation of socialists who have lofty ideals, moral integrity, education, and a sense of discipline. We must energetically educate the people to attach importance to public conduct and professional ethics and make efforts to develop good social habits. We should encourage the people to do their jobs properly and improve professional competence and performance. In the field of

theoretical and cultural work, we must persist in serving the people and socialism; uphold the principle of "letting a hundred flowers blossom and letting a hundred schools of thought contend"; inherit and carry forward the Chinese nation's fine ideological and cultural traditions; and actively assimilate the best of progressive civilizations of all countries. Moreover, we must make philosophic and social sciences flourish; strengthen the building of Marxist theory; attach importance to training and improving middle-aged and young theoretical workers; and work hard to explore major theoretical and practical issues concerning reform, opening up, and modernization. We should further develop literature, art, journalism, publishing, radio and television broadcasting, and other cultural services so that cultural workers' enthusiasm and creativity can be fully mobilized. We should also encourage them to go deep into the realities of life to reflect the spirit of the time as well as the people's will and sentiments, and to produce more wholesome, lively, and colorful spiritual products for society so that the people's vision can be broadened and their temperament can be refined. We must do a good job in protecting cultural relics and intensify the construction of libraries, museums, science and technology halls, archival libraries, and facilities of the like. We should increase facilities for grass-roots scientific and cultural activities. We should invigorate and guide various kinds of mass activities to popularize science and cultural and recreational activities in cities and rural areas. We must deepen the restructuring of the system of cultural management, encourage the public to sponsor cultural activities, and nurture and develop markets with wholesome cultural products. For cultural and art departments that need support, the state will give them the necessary financial assistance. When formulating our policies for promoting cultural development, we must make sure that they are in line with the needs of the development of our market economy, and that the features of the spiritual products must be beneficial to society. We must correctly deal with the relations between economic results and social benefits.

We must attach a high degree of importance to building a socialist democratic and legal system. Democracy is an essential characteristic of socialism. We must actively promote the construction of a democratic system which is compatible with the situation of China to make sure that the rights of the vast number of people as the masters of their country can be safeguarded. Governments at all levels must voluntarily accept the supervision of the people's congresses and their standing committees of the corresponding levels. We should bring into play the role of people's consultative organs, democratic parties, and mass organizations in providing democratic consultations and exercising democratic supervision. We must establish and improve our democratic operating procedures, attach importance to decision research and consultations. Before making a major decision, the views of people in all quarters must be extensively sought so that our decisions are reached more democratically and scientifically. We must open and unclog the channels

through which the government establishes its ties with the masses, and attach importance to the complaints which the masses express in their letters and visits so that we can promptly understand the masses' views of the government and their requests. The masses' rational proposals should be seriously adopted. We must improve our democratic management system and earnestly bring into play the roles of workers' congresses, residents' committees, and villagers' committees so that we can continue to enliven grass-roots units' democratic life.

We must strengthen legal construction and particularly perfect economic legislation to institutionalize and codify into laws the successful reform policies and experience in order to consolidate the achievements of reform and to safeguard the orderly progress of reform. We must propose as soon as possible draft laws for regulating operation of the market. At the same time, we must step up enactment of relevant administrative laws and regulations and more effectively use the legal means to regulate economic relations. Governments at all levels should conduct administration and handle their business in strict accordance with the law. All public personnel should take the lead in studying and understanding laws and become models in observing and enforcing the law. We must continue to deepen education in democracy and the legal system among all citizens, enhance their sense of law, and use law to regulate social behavior.

Improving social order affects the vital interests of the broad masses. It is also a prerequisite to the smooth progress of reform, opening, and economic construction. Over the last several years, we have done a tremendous amount of work and achieved success in improving social order through comprehensive measures. However, currently social order in a number of places is still not good enough. In a few places, problems are quite serious. Major criminal cases and ugly social phenomena have not been effectively controlled. We must, in light of the new characteristics of the social order, take further steps to improve social order through comprehensive measures, strengthen the function of the people's democratic dictatorship, and sternly crack down on different kinds of criminal offenses and serious economic crimes in accordance with the law. We must resolutely launch struggles to ban prostitution; the production and distribution of pornographic products; the abduction of women and children for sale; the planting, transporting, selling, or using of narcotics; the gathering of people for gambling; or the use of superstition to victimize people and swindle them out of their money. We should, in this way, purify the social environment. We should set a strict demand on police work and foster the fine traditions of relying on the masses to improve social order. We must bring about the integration of efforts of the special agencies and the broad masses to achieve mass prevention of crimes and maintenance of social order.

We must earnestly carry out family planning and environmental protection. Our country is currently in the peak

period of population growth. On top of this, the restructuring of the industries and the development of a market economy have led to a rapid increase in the floating population in urban and rural areas. The task of family planning is very heavy and also quite difficult. While concentrating on economic construction, governments at all levels must on no account relax family planning work. We must implement the current family planning policy and carry out the work of family planning in rural areas in particular. Family planning is mass work affecting thousands upon thousands of households, and so we must rely on the efforts of the masses. We must deepen propaganda and education and at the same time earnestly strengthen leadership. We must implement a system under which leaders are held responsible for the attainment of certain objectives during their tenures, improve work methods, raise the technological and service standards, provide better parental care, and institute sound practice in bringing up children. In the next five years, the average natural population growth rate should be kept at about 13 per 1,000. We must concern ourselves with the work on women, children, and the elderly. We must make a success of the Fourth World Women's Congress to be held in Beijing in 1995.

Environmental protection is a question of concern for all mankind. Therefore, we should adhere to the principle that plans for economic construction, urban and rural construction, and environmental construction be carried out simultaneously. We should have a comprehensive program for improving urban and rural environment. We should further improve our environmental laws and regulations; strengthen environmental supervision and management; actively prevent industrial pollution; protect and rationally use various kinds of natural resources such as land, mineral products, oceans, forests, and water; accelerate the pace of tree planting to make forests, guarantee the quality of planting, put a stop to indiscriminate felling of trees, raise the rate of forest cover, and conscientiously do a good job in preventing natural disasters and reducing losses resulting from them.

Strive to develop public health work and physical culture. We should speed up the reform of the public health structure, establish a brand new medical care insurance system in urban areas, improve the system of cooperative medical care in the countryside, strengthen medical administration, strengthen labor protection, and attach importance to the control of diseases which seriously endanger the health of people. We should show concern and support for the work relating to the handicapped people, and strive to improve their working and living conditions. We should launch all types of mass sports activities in both urban and rural areas, raise the level of our athletic sports, and strengthen the physique of the nation. The Chinese people and government support Beijing's bid to host the Olympic games in the year 2000. To this end, we will do everything necessary within our power.

We will actively advance national defense modernization. In the past five years, new progress has been made in regularizing, revolutionizing, and modernizing the Chinese People's Liberation Army [PLA]. In the days to come, while concentrating on economic construction, we will continue to strengthen national defense modernization. The Chinese PLA should carry forward its good traditions; take the road of Army building with Chinese characteristics in accordance with Comrade Deng Xiaoping's thinking on Army building in the new period; strive to do a good job in various fields of construction and reform in accordance with the requirement that "all Army units must be qualified politically and competent militarily and that they must have a fine style of work, maintain strict discipline, and be assured of adequate logistical support"; adhere to the strategic principle of taking active preventive measures; and continually strengthen its operational and defense capabilities under the present conditions. Army units should subordinate themselves to the overall interest, actively participate in national economic construction, train dual-purpose personnel, support scientific research for national defense and military industry production, combine the production of military and civilian products, and give play to the role of the military industry in the modernization drive. Governments at all levels must give massive support to work in the Army; expand national defense education; raise the people's awareness of the importance of national defense; successfully carry out their work relating to the militias and the reserves; strengthen the reserve force for national defense; launch deep activities to support the Army and give preferential treatment to the families of soldiers and to support the Army and cherish the people; consolidate and develop the Army-government unity and the Army-civilian unity; and strengthen the building of the People's Armed Police, public security departments, and state security departments in order to safeguard the security of the state and social stability.

We should continually develop great unity among the people of all nationalities across the nation. Ours is a unified multinational state. The core to consolidating and developing great unity among the people of all nationalities across the nation under the new historical circumstances lies in accelerating economic development in minority-nationality areas and promoting the common prosperity of all nationalities. We should continue implementing the state's preferential policy for minority nationalities and minority-nationality areas and increase investment in minority-nationality areas. When making arrangements for key projects, it is necessary to integrate the industrial policy with rational geographical distribution to take advantage of the minority-nationality areas' abundant resources. We should step up interdepartmental aid from economically developed regions to minority-nationality areas. Minority-nationality areas should increase the intensity of reform and opening up to the outside world and build up stamina for economic development. It is necessary to earnestly implement the Law on National Autonomy

and safeguard the autonomous rights of minority-nationality areas and autonomous regions, as well as the rights of equality among nationalities. Conscientiously implementing the policy toward religions, administering religious affairs in accordance with the law, strengthening national unity, and safeguarding the motherland's unification represent the common interests and aspiration of the people of all nationalities across the country. By relying on the unity and hard work of the people of all nationalities, we will surely be able to open up an even more glorious future for the Chinese nation.

VI. Actively Advance the Great Cause of the Peaceful Reunification of the Motherland

The reunification of the motherland is the common wish of all Chinese people, including compatriots in Taiwan, Hong Kong, and Macao, as well as Overseas Chinese. We should unswervingly strive for the early reunification of the motherland in line with the policy of peaceful reunification and "one country, two systems."

According to the Sino-British Joint Declaration on Hong Kong," signed between the Chinese and British Governments, our country will resume the exercising of sovereignty over Hong Kong on 1 July 1997. It is China's sacred right. On no account shall we allow interference and sabotage of it. China and the United Kingdom signed the Joint Declaration in 1984, and their cooperation on the Hong Kong issue at the start was good; however, the governor of Hong Kong, with the support of the British Government, perfidiously and unilaterally proposed a program last October for major changes in the current Hong Kong political system. This action went against the spirit of the Sino-British Joint Declaration on Hong Kong, against the UK's commitment to gradually converge the political system in Hong Kong with the Basic Law of the Hong Kong Special Administrative Region [SAR] of the PRC, and against the relevant understandings that the Chinese and British Governments have reached. The Hong Kong Basic Law was a product of the full implementation of democracy. In reality, the action taken by the British Hong Kong authorities in violation of the Basic Law is to create disorder and impede Hong Kong's smooth transfer of political power and a smooth transition; it is not a matter of democracy. We have all along called for and made active efforts to bring about Hong Kong's long-term prosperity and stability, and we hope for cooperation, not confrontation; but the Chinese Government will never barter away its principles. Now the British side has again created man-made obstacles to cooperation. The British Government alone will be held responsible for all the serious consequences arising from this.

Since the Chinese and Portuguese Governments signed the "Joint Declaration on the Macao Question" in 1987, cooperation between the two sides has always been good. The "Basic Law for the Macao SAR of the PRC" has been drafted and will be submitted to the current session for deliberation. We believe that the smooth transfer of

political power in Macao and its steady transition will surely be fulfilled through joint efforts by China and Portugal.

Taiwan is an inalienable, integral part of the sacred territory of our country. It is the common aspiration of the people on both sides of the Taiwan Strait to fulfill the peaceful reunification of the motherland. We have taken note of the fact that economic relations, trade, and personnel exchanges between the two sides of the Taiwan Strait have continuously expanded through their joint efforts. Routine contacts between nongovernmental organizations have also made progress. Both sides should continue to make efforts to promote economic and cultural exchanges and expedite direct postal services, direct trade, and direct navigation. We advocate that both sides hold talks as soon as possible to end the state of hostility between the two sides of the Taiwan Strait and gradually fulfill peaceful reunification. It is hoped that the Taiwan authorities will put the national interests above everything else and promptly make a positive response. Above all, we place our hopes on the people of Taiwan. The forces advocating Taiwan independence on and off the island have surfaced in recent years. Certain international forces have also deliberately created obstacles to impede China's peaceful reunification. They cannot but arouse serious concern by the Chinese Government and all the Chinese people. We are resolutely opposed to any form of "two China's," "one China, one Taiwan," or "one country, two governments"; and we will take all necessary drastic measures to stop any activities aimed at making Taiwan independent and splitting the motherland.

VII. On Our Country's Diplomatic Work

In the past five years, the Chinese Government steadfastly implemented an independent foreign policy of peace, overcame various difficulties, and endured severe tests of a rapidly changing international situation, thereby creating a favorable external environment for China's reform, opening up, and modernization, and making due contributions to opposing hegemonism and power politics, maintaining world peace, and promoting common development.

Establishing and developing friendly and cooperative relations with all countries in the world on the basis of the Five Principles of Peaceful Coexistence is the basic principle of our country's diplomatic work. In the past five years, we established or restored diplomatic ties with 30 countries. The total number of countries that have established diplomatic ties with China has reached 155 by now. Our international contacts are becoming more and more extensive; our international prestige is rising continually; and we have friends all over the world.

China centers its diplomatic efforts around actively developing good-neighborly and friendly relations with our neighboring countries and working for a peaceful surrounding environment. Currently, our relations with our neighboring countries are developing very well and in an

all-around manner. Sino-Japanese relations are developing healthily and steadily; our traditional friendship with the DPRK has been cemented and strengthened; and the establishment of diplomatic relations between China and the Republic of Korea has laid a foundation for developing full relations between the two countries. China has resumed diplomatic relations with Indonesia, established diplomatic relations with Brunei and Singapore, and our relations with the ASEAN member countries have developed in an all-around manner. Sino-Vietnamese relations have been normalized; our traditional friendship with Pakistan, Bangladesh, and other South Asian countries have been strengthened; and Sino-Indian relations have markedly improved and developed. China has established new relations with Russia, and relations between the two countries have broad prospects for further development. China has established friendly and cooperative relations with newly independent former republics of the Soviet Union. Some border problems exist between China and a few of our neighboring countries; some of these problems have been solved. Negotiations are being held on some others and positive progress has been made. On the issue of the Nansha [Spratly] Islands, whose sovereignty belongs to China, China has called for "jointly developing the islands while each country reserves its own views," and China is willing to work for the long-term stability, mutual interests, and cooperation in the South China Sea region. China and the large numbers of developing countries in Africa, Asia, and Latin America have extended sympathy and support to each other in preserving national independence and sovereignty, in opposing foreign interference, and in striving for common development. New progress has been made in our friendly and cooperative relations. China has become a formal observer of the Nonaligned Movement and our cooperative relations with the Group of 77 have continued to develop. No matter how the international situation may change, China, as always, will continue to strengthen its friendship and cooperation with developing countries. This is a basic point of China's foreign policy.

After going through a tortuous period, China's relations with Western countries have begun to be restored and to improve gradually. High-level political exchanges and consultations have begun; new progress has been made in the cooperation in the economic, trade, scientific, and technological fields. China is willing to continue to develop friendly and cooperative relations with Western countries on the basis of mutual respect, mutual noninterference in each other's internal affairs, and seeking common ground while reserving differences, and to seek the convergent point of our common interests. China has always attached importance to its relations with the United States. We believe that as long as the U.S. Government abides by [zun xun 6690 1789] the principles contained in the three Sino-U.S. communiques, we can remove obstacles and improve and develop the relations between the two countries.

As a permanent member of the UN Security Council, China has always abided by the purposes and principles of the UN Charter. China has made positive efforts to preserve world peace and stability, to seek political solutions to regional conflicts and international disputes, and to promote world disarmament and joint development by all countries. China has always called for resolving regional conflicts through negotiations and is against using force and armed interference from outside. China has done its share in reaching the Paris peace agreement, which is designed to bring a total political solution to the Cambodian problem. China hopes the four sides in Cambodia will give primary consideration to the interests of its people and bring about national reconciliation and domestic peace. China is concerned about and supports the peaceful solution of the Middle East issue and will continue to make efforts to advance the Middle East peace process. We hope armed conflicts in former Yugoslavia and other regions would be justly solved through peace negotiations.

We have always called for effective reduction of armament and arms control based on "fair, reasonable, comprehensive, and balanced" principles. However, we are firmly opposed to using arms control and arms sale as a means to interfere in other countries' internal affairs. China officially joined the Treaty on the Nonproliferation of Nuclear Weapons last year and again signed the Convention for the Prohibition of Chemical Weapons this year, drawing universal applause from the international community. We welcome START II, signed between the United States and Russia, and hope to see it truly implemented.

We always stand for increased international cooperation in economic development and environmental protection. China has officially joined the Asia-Pacific Economic Cooperation and is ready to further develop economic cooperation with countries in the Asian-Pacific region on the basis of equality and mutual benefit. At the UN Conference on Environment and Development in Brazil last year, China stated its position on putting equal importance on environmental protection and economic development, which was greeted with broad approval from the international community. We are ready to continue our efforts in this regard.

China attaches importance to the human rights issue, and is willing to work together with the international community for the realization of the United Nations' aim of protecting and promoting human rights and basic freedoms. Respect and protection of human rights, in the final analysis, fall under the realm of a nation's sovereignty. We resolutely oppose the use of human rights to interfere in other countries' internal affairs. The universal realization of mankind's human rights and basic freedoms can be effectively promoted only when the political, economic, and social systems and the historical, religious, and cultural characteristics of all countries are respected, and when discussion and cooperation on the question are conducted on an equal footing and in

the spirit of mutual understanding and seeking common ground while reserving differences.

Deputies, the break-up of the Soviet Union marked the end of the bipolar structure, and the world is moving in the direction of multipolarization. It is possible to avoid a new world war for a long time to come; however, various destabilizing factors are increasing. Some countries and regions are faced with severe political, economic, and social crises and worsening national disintegration and armed conflicts. The gaps between the North and the South—between rich and poor—have further widened. Hegemonism and power politics remain. Contradictions among developed countries, and between them and developing countries have become even more complicated. Worldwide economic competition has become even more fierce, and the world is still not stable; the achievements of peace and development, which all people long for, still face formidable challenges.

The establishment of a new world order accords with the strong desires of people around the world. The Chinese Government stands for the establishment of a peaceful, stable, just, and rational new world order based on the Five Principles of Peaceful Coexistence. We believe in the democratization of international relations. All countries, big or small, strong or weak, rich or poor, are equal members of the international community and therefore entitled to participate in the discussions and settlement of international affairs. No big country should bully the small, and no strong country should dominate the weak, nor the rich repress the poor. We must recognize that the world is a diversified one. Every country has the right to choose the social system, ideology, economic model, and path of development that suits its conditions, without intervention by other countries. International disputes must be settled by peaceful means, and the use of force or threat of force must be opposed. It is necessary to change the existing unfair and unreasonable economic order and replace it with a new economic order based on equality and mutual benefit. The Chinese people are ready to make, together with people all over the world, unremitting efforts to safeguard world peace and promote human progress.

Deputies, we are at a crucial period in which we are accelerating reform, opening up, and the modernization drive. In the next five years, based on our great achievements in reform, opening to the outside world, and the modernization drive that we have scored over the past 14 years, we will take a major stride forward in establishing a socialist market economic structure, open wider and deeper to the outside world, and fulfill our objective of quadrupling our GNP ahead of schedule to bring our national economy to a new level. At the present time in our country, we have a logical administration and harmony among the people, and all undertakings are flourishing—good prospects for modernization construction are appearing before the people of all nationalities. Guided by Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics and the guidelines of the party's 14th national congress, let us rally more

closely around the CPC Central Committee with Comrade Jiang Zemin as the core, work with one heart and one mind, enhance our enthusiasm, advance in a pioneering spirit, and strive arduously to wrest new victories in the socialist modernization drive.

Qiao Shi Chairs Standing Committee Meeting

OW0104142493 Beijing XINHUA Domestic Service in Chinese 1120 GMT 1 Apr 93

[Excerpt] Beijing, 1 Apr (XINHUA)—The Eighth National People's Congress [NPC] Standing Committee, which was formed during the just-ended First Session of the Eighth NPC, held its first meeting at the Great Hall of the People this morning.

Chairman Qiao Shi presided over the meeting—his first since he took office—and delivered an important speech on the work of the new NPC Standing Committee. His speech is divided into four parts: 1. Accelerate efforts to enact economic legislation; 2. perfect the mechanism of supervision; 3. strengthen ties with deputies and the masses; 4. improve efforts to build itself. [passage omitted]

Attending the meeting were Vice Chairmen Tian Jiyun, Wang Hanbin, Ni Zhifu, Chen Muhua, Fei Xiaotong, Sun Qimeng, Lei Jieqiong, Qin Jiwei, Li Ximing, Wang Bingqian, Pagbalha Geleg Namgyai, Wang Guangying, Cheng Siyuan, Lu Jiaxi, Buhe, Tomur Dawamat, Li Peiyao, and Wu Jieping, as well as Secretary General Cao Zhi.

The meeting also appointed, through voting, Feng Lanming as the deputy secretary general of the Eighth NPC Standing Committee.

Gives Speech Urging Upholding Laws

OW0104180393 Beijing XINHUA Domestic Service in Chinese 1009 GMT 1 Apr 93

[Speech by Qiao Shi at the first Eighth National People's Congress Standing Committee meeting in the Great Hall of the People in Beijing on 1 April]

[Text] Beijing, 1 Apr (XINHUA)—Speech by Comrade Qiao Shi at the first Eighth National People's Congress [NPC] Standing Committee meeting.

Today, we are convening the first Eighth NPC Standing Committee meeting. We, this new collective, are starting to exercise the powers vested in us by the Constitution. The Constitution provides the NPC Standing Committee with 21 powers. We have a heavy responsibility on our shoulders. How to exercise these powers and execute the NPC's work well under the new situation is something all of us have been giving a lot of thought. During the NPC session, many deputies put forward ideas and suggestions on improving and strengthening NPC work. We should study them carefully. Now I would like to put forward some tentative ideas for discussion with you.

The five years of the term of the present Standing Committee is a crucial period for the achievement of the second-step strategic objectives of China's modernization drive. Under the guidance of the important talks given by Comrade Deng Xiaoping when he visited the south and the guidelines of the 14th CPC National Congress, China's reform, opening up, and the modernization drive have entered a new stage of vigorous development. People everywhere are seizing the opportune time to speed up the pace of reform and opening up, concentrate on developing the economy, and—on the premise of stressing economic efficiency—achieve a rather higher economic growth rate, as well as to accomplish the goal of quadrupling the GNP ahead of time. The 14th CPC National Congress sets forth the establishment of a socialist market economic system as the objective of China's economic structural reform. The constitutional amendments adopted at the NPC session have turned this stance of the party into the will of the state by codifying it into the basic law of the land. The establishment of a socialist market economy involves many realms of the economic base and superstructure, and it must be guaranteed by a corresponding socialist democracy and legal system. The present Standing Committee must proceed from this general situation and tasks, uphold Comrade Deng Xiaoping's theory on building socialism with Chinese characteristics and the party's basic line as its guide, take the strengthening of socialist democracy and the legal system as its fundamental task, see to it that the party's basic line is implemented and that the tasks set forth by the 14th CPC National Congress and the First Session of the Eighth NPC are accomplished, and promote the establishment and steady improvement of a socialist market economic system. We must fully be aware of—and psychologically prepare for—the importance, urgency, and complexities of this mission. At present, we should work hard to play our proper role as an organ of state power by stepping up economic legislation, improving supervisory mechanisms, enhancing our ties with the deputies and the masses, and constructing the NPC.

I. Stepping Up Economic Legislation

The present NPC Standing Committee will take economic legislation as its top priority and step up efforts in formulating a number of laws governing the socialist market economy as quickly as possible. A market economy needs a sound legal system. There is a fundamental difference between a market economy and a highly centralized economy, which relies primarily on administrative means for management. The history of economic development in modern states has proven that without sound and comprehensive legal standards or guarantees, the various social and economic activities will have no guidelines, thus inevitably leading to chaos. If we are to establish a socialist market economic system, which should operate more efficiently than a capitalist market economy, then legal guidance, standards, guarantees, and restraints will be even more essential. If we are to develop an initial socialist market economic

system in the nineties, we must develop a set of appropriate laws governing the socialist market economic system. Reality has already presented urgent demands to us in this regard. Today, there are 480,000 companies of all kinds registered nationwide. This is inevitable in the development of a socialist market economy. Generally speaking, it is normal and healthy; however, many of those enterprises are government departments that have been turned into companies. Economic development has created a brisk market, but fake and shoddy goods have not disappeared, despite numerous injunctions. We still need to expend tremendous efforts to perfect the means of macrocontrol over the development of a socialist market economy. The effective resolution of these problems depends, to a large extent, on our having sound and comprehensive laws. Stepping up efforts to formulate and revise economic laws is an objective demand presented by the development of a socialist market economy; it is an effective means for protecting fair competition, promoting market development, establishing market economic order, perfecting macrocontrol, and protecting citizens' rights and interests. It has a bearing on the overall situation of reform and opening up, on whether or not we can successfully develop a socialist market economic system, and thereby directly affects whether or not we will be able to raise the entire national economy to a new level and join the ranks of international competition in the nineties. For this reason, the current session will make large strides in formulating laws governing the market economy. This is our top priority.

Formulating laws governing socialist market economic affairs is a new task for us. First of all, we should conduct an overall and jurisprudential study of the legal system of a socialist market economy. What laws are necessary to meet the development needs of a socialist market economy? What laws are urgently needed at present? To address these problems, we should consider things in an overall manner and have reasonable planning. It is necessary for us to conduct a thorough-going study of the characteristics and rules of the market economy's development in China. We should emancipate our minds, broaden our views, renew our thinking, and deal with problems and difficulties with a positive attitude in the course of formulating such laws. Efforts should be made to ensure that the laws we are to formulate are in line with the objective requirements of economic development and beneficial to further liberating and developing productive forces. Since cognition is a process, some laws formulated might not be perfect, but they can gradually be improved in the course of implementation. Some comrades have expressed their opinions by saying: Some rough outlines of laws are needed for governing economic activities. It would be better to have necessary laws like these than having no laws at all, because once economic order is disturbed, it will be very hard to consolidate. If conditions are not ripe for formulating national laws, it would be advisable to formulate administrative rules and regional regulations. Comrade Deng Xiaoping said as early as 1978: A large amount of

legislative work needs to be done. In the beginning, legal articles can be more rough-outlined and can be gradually improved. Localities can introduce some regional regulations on a trial basis. National laws can be formulated later, after summing up experiences and making improvements. Whenever a legal article is ready for an amendment or supplement, we can do it immediately. There is no need to wait for conditions to be ripe to formulate a complete set of laws. All in all, having laws is better than having no laws at all; it is better to formulate laws sooner rather than later. These opinions are still important and have practical guiding significance for our present legislative work. Secondly, in drafting laws, we should proceed from the overall situation and fundamental interests of the people, rather than from departmental interests. Efforts should be made to strengthen the unifying and coordinating work of drafting laws. We should have unified planning with due consideration of all concerned to ensure that the draft laws embody the principles of a market economy, which is characteristic of fairness, openness, and effectiveness. In this way, it will be beneficial to form a nationally unified and open market system. We should also pay attention to connections among laws. They should not conflict with each other, particularly with the constitution or basic laws. Third, further efforts should be made to improve the legislative system and accelerate the work of drafting laws. The Standing Committee should take the initiative and be well prepared in its legislative work. It should organize forces of all sectors to participate in the work of drafting laws. Some draft laws will be drafted by departments concerned under the State Council; some draft laws involving reform and the overall economic development situation can be drafted by experts led by the Standing Committee or competent special committees. We can organize experts and scholars at colleges, universities, and scientific research units to draft some laws. Fourth, it is necessary for us to be bold in absorbing and drawing lessons from the legislative experiences of foreign countries. All the fruits of humanity's civilization, including legislative experiences from advanced Western countries, can be ours to use, after remodeling and assimilating them in light of China's concrete situation. The market economy has been developed for several hundred years. Despite the fact that it has some special characteristics under different social systems, its basic operating rules, such as the rule of value, as well as the rule of supply and demand, are the same. The market economy's competitive mechanism and principle of resource allocation are also the same. Today's world economy has developed to such a stage where a state's unified and open market system unavoidably has a tendency toward becoming internationalized. Therefore, in formulating laws governing economic affairs, we should use foreign countries' experiences for reference and pay attention to the connection between our laws and relevant international laws and practices. Only in this way can our laws benefit China in participating in international competition and attracting foreign investment.

In addition to accelerating the formulation of economic laws, it is also necessary to step up formulating laws that promote the building of democratic politics, that safeguard citizens' rights; laws that punish perpetrators of various criminal activities, that maintain social security, that enhance the building of a clean government; and laws that promote the development of science, education, culture, and national defense construction. At the same time, and according to requirements for the further development of modernization construction, reform, and opening, it is necessary to revise, in a timely manner, certain laws that were formulated in the past and that are not adapted to present-day realities. It is also necessary to sum up experiences from NPC elections, make necessary revisions to election laws and local organizational laws, and further improve the election system. Following the formulation of laws, detailed rules for their implementation and other relevant laws should be devised. The Standing Committee is also required to fully make use of its responsibility of interpreting the constitution and laws and to interpret and explain some legal issues.

II. Improve Supervisory Mechanisms

In addition to stepping up legislation work, the present term of the Standing Committee should also improve supervisory mechanisms and do a good supervisory job. NPC supervision is the major part of the entire nation's supervisory system. The NPC represents supervision of the supreme legal force conducted on behalf of the state and the people. Enhancing such supervision is conducive to correct decisionmaking; to reducing mistakes; to the rational and highly efficient operation of the state organs; and to preventing and eliminating corrupt phenomena. In the course of accelerating reform and opening up, and of realizing the transformation from a system of a traditionally and highly centralized planned economy to that of a socialist market economy, state power organs are required, more than ever, to give play to their supervisory roles.

The Standing Committee should give priority to doing a good job in law supervision and ensure that the constitution and laws are effectively enforced. First of all, it must assume the responsibility for the enforcement of constitutional supervision. The Standing Committee should further formulate and improve concrete systems and work out procedures for enforcing constitutional supervision, as well as improve organs that are responsible for the enforcement of constitutional supervision. Administrative regulations, local regulations, and administrative rules that contradict the constitution and laws should be turned over to relevant special committees for examination, for proposing opinions on revision, and then they should submit them to the Standing Committee for a decision. It is necessary for the Standing Committee to continuously give equal attention to examining and supervising law enforcement and legislation, to carrying out checks on law enforcement in a planned and emphatic manner, and to including the hearing and examination of law enforcement briefings in agenda items at Standing Committee meetings. This

should be treated as an important system and we must persist in it. Relevant departments should be urged to step up solving problems that are discovered during examination and to submit reports to the Standing Committee over their handling of the problems. To step up the dissemination of the constitution and laws and to achieve greater effects regarding checks and supervision over law enforcement, we should give full play to the roles of newspapers, radio broadcasts, television, and other public media. We may investigate or use the public media to publicize typical anticonstitutional cases and those that violate the law. We should continuously do a good job in education and popularizing laws, further enhance awareness and capabilities among cadres and masses for doing things according to the law, and resolutely fight against various law-breaking acts.

The Standing Committee's main work of supervision lies in rendering support to and in prodding government into executing well the 10-Year Program for National Economic and Social Development and the Eighth Five-Year Plan, and to implementing various tasks as set forth at the 14th CPC National Congress and at the first session of the Eighth NPC. We will persist in the system of each Standing Committee meeting hearing briefings and examining the work reports presented by the State Council, the Supreme People's Court, and the Supreme People's Procuratorate surrounding major problems in reform and construction and "hot" problems that are of concern to the masses. We will also continue with the system of hearing State Council briefings regarding the execution of plans and the budget in the third quarter of every year. Comrade Xiaoping once pointed out that clean government building must rely on a legal system. The Standing Committee will prod state trial organs, procuratorial organs, and administrative supervisory organs to strictly enforce the law; to not be swayed by personal considerations; to resist any interferences; to seriously handle major and important cases; to resolutely mete out punishment to corrupt elements; to be effective; and to win the trust of the people. The Standing Committee will also constantly sum up the NPC's supervisory experiences and devise clear rules on the content, form, and procedures of supervision to further regularize supervisory work.

III. Enhance Ties With Deputies and the Masses

To maintain the source of exuberant vitality for the state power organs, it is necessary to strengthen their ties with the deputies and the masses, and enhancing ties with the deputies and masses is also the basis for doing a good job in the NPC. Because our collective is entrusted by the people's congress and exercises powers and functions on behalf of the people, we must be responsible to people's congresses and to the people and accept the supervision of deputies and the broad masses. The fundamental interests and the common will of the people are the starting points and goals of our various work. The Standing Committee will further strengthen ties with deputies and the masses and will make the formulation of laws and the adoption of resolutions and decisions in

line with the wishes and demands of the people, and in line with the reality of reform and opening up and the socialist modernization construction cause.

Because nearly 3,000 deputies in the nation who work on various fronts and posts have rich practical experiences, they best understand the masses' calls and demands. The Standing Committee will, following the same practice of the standing committees of people's congresses in various provinces, autonomous regions, and municipalities, continuously keep in touch with deputies all over the nation and maintain close contacts with deputies regarding the Standing Committee's proposal, deliberation, and passage of decisions. Before each meeting is convened, and in preparation for the deliberations of proposals at the meeting, the Standing Committee is required to solicit opinions from deputies on the agenda's major items and on the substance of the meeting. We will persist in the system of inviting some deputies to each Standing Committee meeting as observers. The Standing Committee and special committees may, as the situation arises, invite deputies to attend various forums to hear their opinions directly. We will seriously handle proposals, suggestions, criticisms, and opinions advanced by the deputies. The Standing Committee will do its best to provide necessary conditions for the deputies to fulfill their duties.

It is necessary for Standing Committee members to persist in the mass line, carry out indepth investigation and study, and fully reflect the masses' opinions. Carrying out inspections is an important way of keeping in touch with the masses. We will further improve inspection work, carry out inspection activities in a planned and emphatic manner, and produce inspection reports on some major practical issues. It is necessary to stress the handling of the masses' letters and their visits and further improve the system of handling people's letters and visits. We will adopt measures to forge close ties with the masses and open up democratic channels.

Over the last decade, local people's congresses have made great strides in their work, and they have made valuable explorations and accumulated experiences in persisting in and in improving the people's congress system.

The Standing Committee will continuously enhance its ties with local people's congresses, study and promote good work experiences of local people's congresses, and support their exercise of power and functions according to the law. We will adhere to the system of inviting responsible persons of the standing committees of people's congresses from various provinces, autonomous regions, and municipalities to each Standing Committee meeting as observers. We may also, as the situation arises, invite responsible persons of standing committees from regional people's congresses to forums with a view to summing up and exchanging work experiences of people's congresses and jointly doing a good job in people's congresses.

IV. Construction of the NPC Standing Committee

The construction of the NPC Standing Committee—especially in terms of strengthening its organization—is an essential condition for executing NPC work well. Two-thirds of the comrades making up the current Standing Committee are newly elected; these comrades have a lot of work experience in government organs or other areas, but NPC work has its own characteristics and standards. Therefore, it requires us to adapt to the changed situation, to change our work habits or methods, and to work hard in learning theories and laws. Every one of us should become proficient in the constitution, the election laws, the organic laws, laws concerning people's deputies, rules for procedures, and other laws. It is a basic requirement of our job. I believe that all of us will quickly adapt to the new situation, give a good account of our specialties and wisdom, and make contributions in our work.

This collective must truly practice democratic centralism. The characteristics of NPC work are to collectively exercise the NPC's functions and powers and to make decisions as a collective. In deliberating proposals, we must give full play to democracy; everyone should speak his views freely. All sorts of views may be aired, so that, through ample discussion and exchanges, we can draw on collective wisdom and raise our level of democratic and scientific policy-making. When it comes to reaching a decision, each of us has completely equal rights, and the principle that the minority is subordinate to the majority must strictly be adhered to. In carrying out our business, we must pay special attention to following democratic forms, procedures, and rules. Thanks to the efforts of the previous Standing Committees, we now have a legion of rules regarding deliberations and voting procedures. We will, on the basis of existing rules, continue amplifying, perfecting, and revising them to constantly improve the Standing Committee's efficiency in legislative deliberations.

The majority of the current Standing Committee is involved in the work of special committees. The special committees are standing bodies within the NPC that are subject to the leadership of the NPC Standing Committee when the NPC is in recess. These committees handle a huge load of day-to-day work, and their tasks are onerous. It is hoped that every one of us will focus our attention on the work of the Standing Committee and the special committees, subordinating, to the extent possible, his or her other social activities to the needs of NPC work. The working bodies of the Standing Committee and other special committees must meet the needs of NPC work. We should, in line with the principle of simplification and high efficiency, organize a contingent of qualified personnel, by way of practicing rigorous checkups and putting in place a system of work responsibility, constantly raise the competence and work efficiency of this contingent, and make it serve the NPC and its Standing Committee in a still better way. The NPC is a unified whole whose constituent departments and units should support and closely cooperate with one another.

According to the constitution, chairmanship meetings handle the important day-to-day work of the NPC Standing Committee. These meetings must formulate comprehensive, unified plans and improve centralized, unified leadership over the various departments. The Standing Committee Secretariat, which operates under the leadership of the chairman, is a day-to-day working body of the Standing Committee. Its responsibilities are to keep constantly updated on developments, do research, work out plans for solving problems, and coordinate well the work of the special committees, the General Office, and the Legislative Affairs Commission.

After this meeting, efforts should be made to accomplish the following tasks: First, we should formulate a work outline for the five-year term of this Standing Committee. The outline will be submitted for discussion at the next Standing Committee meeting. Second, we will formulate a five-year legislative agenda and a plan for carrying out concrete work scheduled for this year and the next years. Third, based on our summed-up experiences, the rules of procedures and the working system for various kinds of NPC meetings will be amended and improved. Fourth, foreign-related tasks are also an important part of the Standing Committee's work. We should make unified arrangements and put forward concrete plans. Fifth, regulations for all members of the Standing Committee will also be formulated to ensure that they will perform their duties better.

Comrades, the people's congress system is China's fundamental political system. It represents a summed-up experience of our party in its long-term efforts to build people's political power. It is the best organization for symbolizing the people as masters of the state. Experiences gained since the founding of the PRC, and particularly during last 14 years, show that the people's congress system represents the nature of our state and conforms with the national situation in China. It not only ensures that people as a whole can exercise their state power and fully bring into play their enthusiasm for building socialism, but also it is beneficial to the state's organs in cooperating and working in a coordinated manner. Of course, there is much room for this system to improve itself. Based on previous NPC achievements, we shall further improve and strengthen our work. We shall continue to adhere to and improve the people's congress system and promote the building of socialist democracy. Our goal is to build a socialist society that is line with reality in China, is democratic, and has a sound legal system. We shall unite in a concerted effort to achieve this goal.

Article Views Moves Behind NPC Session

HK0204130193 Hong Kong CHENG MING in Chinese No 186, 1 Apr 93 pp 23-24

[Article by staff reporters Lo Ping (5012 0393) and Li Tzu-ching (7812 5261 0079): "Noises Behind the Scenes of the National People's Congress"]

[Text] Things Out of Tune With What is Propagandized

At the opening of all National People's Congress [NPC] sessions, the CPC's propaganda machine will, as a rule, put out some propaganda. If we say there is a small exception in the First Session of the Eighth NPC, that would be that the treble loudspeaker gave a more accurate, higher, and louder sound.

—"This is a new chapter of socialist democracy."

—"Before the NPC session opens, there is a strong atmosphere of democracy."

—"The NPC and Chinese People's Consultative Conference [CPPCC] sessions are more successful than previous ones."

—"The sessions will surely be democratic, truth-seeking, united, and progress-making."

—"Socialist democratic politics is advancing in a down-to-earth manner in China."

Although the sessions seemingly proceeded well and properly, coming to the backstage of the NPC, one can discover many things out of tune and harmony with what is propagandized.

Security During the NPC and CPPCC Sessions Involved More Than 20,000 Servicemen and Policemen

A RENMIN RIBAO reporter wrote a feature entitled "Quietness in Jingxi Hotel." It is true that all places where NPC deputies and CPPCC members stayed were quiet. However, the party's mouthpiece did not disclose that behind the quietness was a rather tense atmosphere—more than 20,000 servicemen and policemen were responsible for security during the NPC and CPPCC sessions.

—A total of 10,000 people from the first and second units of the Beijing Armed Police Corps;

—1,000 people from the third and fifth brigades of the special police corps;

—6,000 policemen from the Public Security Ministry and the Beijing Municipal Public Security Bureau;

—3,000 people from the first, third, and fourth battalions of the Guards Division of the Beijing Military District. They were on mobile patrol;

—The 26th Division of the Beijing Garrison Command canceled holidays for March and they waited for commands in barricades in the vicinity of the municipality;

—The three-person security leading group comprising Li Qiyang (Beijing mayor), Zhou Yushu (commander of the People's Armed Police Corps), and Tao Sijun (minister of public security).

Over 100 False Telephone Reports About "Fires and Reactionary Slogans"

All countries need to step up security during important events (even some soccer matches), and it should be all right for the NPC session to take into account work in this respect. But if the NPC session is part of the people's life, why was there the need to have so many servicemen and policemen to "quietly" guard against or prevent people from making trouble? Perhaps this was justifiable. Because some little unusual things did occur among the people before and after the NPC session opened.

According to the NPC Secretariat, from 13 to 16 March, the NPC Secretariat and the Municipal Public Security Bureau received more than 30 anonymous letters and over 100 mysterious telephone calls making false reports about "fires, reactionary slogans, bombs, and so on." They included untrue reports about the spotting of "reactionary slogans," "bombs," "fires," and others in the Wangfujing Hotel, Shangri-la Hotel, Taiwan Hotel, Zhongshan Park, Beijing Railway Station's VIP room, and the Sino-Japanese Friendship Hospital. It is imaginable how busy the public security personnel were.

Deputies Query the Party's Basic Line

Of course, little things from among the people were not very shocking. What constituted a greater shock to the CPC core layer was that some deputies went the to lengths querying the party's basic line. For example, in giving speeches at the group discussions of the Beijing and Tianjin Municipal NPC Delegations, some remarked that the party's basic line should be changed to the state's basic line and that the party should be subordinated to the state and this stands to reason.

A Shandong deputy remarked: People say we are now building socialism with Chinese characteristics. In fact, we are building a semicapitalist and semisocialist society with Chinese characteristics. It is said that before he finished the remarks, the audience had already burst into laughter.

"Party Constitution and Party Discipline Should Be Within the Bounds of Law"

What was more shocking was that in their remarks, some aged deputies put forward opinions about the party's leadership and the "upholding of the Four Cardinal Principles." A deputy from Tianjin said: The "four cardinal principles" conflict with state laws. The party Constitution and party discipline should be within the bounds of the law; otherwise, that all are equal before the law is empty word. A Henan Province deputy said: The key to the current political reform lies in whether the party committee commands and leads the NPC and the state's laws and constitution, or the party committee works within the bounds of state laws and constitution.

Various Provinces Begin Calling for "Decision-Making Power"

What is most nagging to the core level of the CPC was that two phenomena, which had been rare before, occurred during the NPC session: The first was that all provinces began calling for "decision-making power," and the second was that some provinces quarreled with each other.

"Backstage workers" for the NPC session disclosed that provinces like Heilongjiang, Jilin, Yunnan, Gansu, Guizhou, Guangxi Zhuang Nationality Autonomous Region, and Ningxia Hui Nationality Autonomous Region stated the need to set up special economic zones, special development areas, bonded areas, and the like. Moreover, they called on the State Council to delegate powers over revenue, the examination and approval of credit, infrastructural scales, land transfers, tariffs, and so on. Yunnan, Hunan, Jiangxi, and Guangxi Zhuang Nationality Autonomous Region asked for a 30-50 percent reduction in revenue income to be turned over to the central authorities so that they could use the reduced sum for local development.

Jiangxi Deputies Call For Recalling Mao Zhiyong From the Post of People's Congress Chairman

Moreover, it is learned that the NPC delegations of Shanxi, Hebei, Guangdong, Sichuan, and Fujian blamed each other for "regionalism," "regional selfishness," "protectionism," and other things.

A vivid play was also performed by the Jiangxi NPC delegation in which people's deputies were "rebuked." A dozen or more Jiangxi deputies asked the session's presidium to recall Mao Zhiyong from the post of people's congress chairman because during his tenure Jiangxi's party and government work has made slow progress and that corruption and decadence are serious from the provincial level to all local levels. Public funds used by their party and government organs to import sedans account for more than half of their daily expenditure. There are more than 50 kinds of apportionments in their rural areas, and IOU's are written out to their peasants in 85 percent of the rural areas. Regarding the organizational line, Mao Zhiyong has long appointed personnel on the strength of their relationship with him and publicly used the "leftist" tune of "straight shoot and straight root [a good family background]" for the appointment of cadres.

People's Liberation Army [PLA] Representatives Call For Increasing Pay and Conditions

The PLA also did "something." Some of the PLA's delegation to the NPC, which had the largest number, appeared like hawks. They called on the Chinese Government to issue a serious warning to Britain and recall the Chinese ambassador to Britain when necessary should Britain violate the Sino-British Joint Declaration. They also called for a tit-for-tat diplomatic struggle against the United States for violating the three joint

Sino-American communiques, selling arms to Taiwan, and seriously interfering in China's internal affairs. On the other hand, 180 PLA representatives signed a request calling on the government to increase military expenditure, upgrade weaponry, and increase servicemen's pay and conditions.

The PLA's deputies to the NPC did some other things as well. They unanimously passed the proposal, which was to be forwarded to the NPC Standing Committee Presidium, on appointing Liu Huaqing vice president of the PRC, Zhang Zhen as vice premier of the State Council, Chi Haotian as state councillor, and Yang Baibing as NPC vice chairman. On 20 and 22 March, deputies of at least eight provinces, autonomous regions, and municipalities (Hebei, Shanxi, Sichuan, Liaoning, Inner Mongolia, Beijing, Tianjin, and Henan) expressed support for the proposal.

The CPC's top leadership attached great importance to these noises and immediately adopted corresponding measures. Zhu Rongji, Zou Jiahua, Tian Jiyun, Li Lanqing, Wen Jiabao, and others went to do work in the delegations of provinces and autonomous regions concerned and prevented them from putting pressure on the central authorities or from "quarreling among themselves." Jiang Zemin, Qiao Shi, and Li Peng visited the PLA delegation respectively, did ideological work in them, and called on them to withdraw the proposal.

That was not all. In response to the noises deeper in the NPC, on the evening of 17 March, Qiao Shi called an emergency meeting of heads and deputy heads of NPC delegations. Jiang Zemin, Li Peng, Qiao Shi, and Liu Huaqing attended, calling on persons in charge of the delegations to immediately do thorough ideological and guiding work at lower levels, and called on all delegations to rally closely around the general direction of the NPC session, to hold discussions and put forward suggestions and proposals in light of the various jobs stated in the Government Work Report, to promptly correct the phenomenon of deviating from the session's agenda items and direction, to dissuade and convince some who expressed different views, and to stop the various delegations from blaming each others.

The Four People Hurriedly Suppress the Noises

The fact that noises hung around and, in particular, that the proposal forwarded by the PLA delegation to the NPC was supported by many provinces, disturbed Zhongnanhai very much. On the evening of 21 March, Jiang Zemin, Qiao Shi, and Liu Huaqing called an emergency meeting of heads and deputy heads of NPC delegations. At the meeting, Jiang Zemin stated three points: First, personnel appointments for the NPC and State Council are made after study by the central authorities and cannot be changed. Second, all delegations should forward suggestions and proposals with specific emphases regarding the Government Work Report. Third, all delegations must have a good understanding of

and overcome the difference of opinions among the deputies and the tendency that affects the proposals to be passed at the session.

At the meeting, Qiao Shi said: Of the 600 or more proposals, some have deviated from the session's center and theme.

This is perhaps what is called socialist democracy with Chinese characteristics.

Under this "democratic" system, the NPC session is, of course, a "united session."

An open-minded cadre said: "What if all delegations could speak their minds freely? It would basically embody rule by bureaucrats rather than democracy because the NPC deputies do not represent the people as they should. All they can do is to reflect a little the opinions of the people through some of their own."

No wonder Beijing people say the NPC and CPPCC sessions are "a waste of money and manpower."

RENMIN RIBAO Editorial on Macao Basic Law

OW0204130493 Beijing XINHUA Domestic Service in Chinese 1050 GMT 2 Apr 93

[RENMIN RIBAO 3 April editorial: "End the Past and Open Up the Future—Greeting the Promulgation of the 'Basic Law of the Macao Special Administrative Region of the PRC'"]

[Text] Beijing, 2 Apr (XINHUA)—As all sorts of spring flowers are blooming in a riot of colors, the First Session of the Eighth National People's Congress [NPC] adopted and promulgated the "Basic Law of the Macao Special Administrative Region [SAR]." This law is another masterpiece of creation following the Basic Law for Hong Kong. This law, which embodies the general principle of "one country, two systems" and China's basic policy toward Macao, and which provides legal guarantees for the stable transition in 1999, long-term stability, and the development of Macao, is of great immediate and historical significance. It will go down in history as a glorious chapter in the achievements of the reunification of the motherland by the Chinese people.

Macao has been Chinese territory since time immemorial. Four centuries have passed since it was gradually occupied by Portugal in the mid-16th century. Recovering sovereignty over Macao and safeguarding the territorial integrity of the motherland has long been the common wish of the Chinese people; it is one of the major objectives of the great democratic revolutionary undertaking by the Chinese nation over this century. On 13 April 1987, the PRC and Portuguese Republic Governments signed a joint declaration regarding Macao which recognizes that the PRC will resume sovereignty over Macao on 20 December 1999. The adoption and promulgation of the Basic Law by the recent NPC session and its announcement to the world in the form of

a law have opened a brand-new chapter in the annals of Macao. It is a result of the hard work of Chinese people—including compatriots in Macao—over a prolonged period. In the course of signing the joint declaration and formulating the Basic Law, the Portuguese Government has provided good cooperation and we appreciate it.

The idea of "one country, two systems" is a great invention. It is a major component of Comrade Deng Xiaoping's theory on building socialism with Chinese characteristics. While elaborating on the idea of "one country, two systems," Comrade Deng Xiaoping said: "Achieving national unification is the wish of the nation. If it cannot be accomplished in 100 years, it will be accomplished in 1,000 years. How can we settle this problem? I think the only way is to implement 'one country, two systems.'" Comrade Jiang Zemin pointed out in his report to the 14th CPC National Congress: "On the premise that there is only one China, for a long time to come the main part of the country should adhere to the socialist system, while Hong Kong, Macao, and Taiwan maintain their original capitalist system. In accordance with this principle, we shall work for the great cause of peaceful reunification of the motherland." The Macao Basic Law was formulated in accordance with this general principle, taking into consideration the realities of Macao, and drawing on the opinions of people of all circles in Macao and the interior.

The concept of one country with two systems combines a highly principled matter with a high degree of flexibility. Based on this concept, the Macao Basic Law has not only safeguarded the unity of our country's territory and sovereignty, but also provides for a high degree of autonomous rights in the Macao SAR. "One country" means the PRC, and Macao is China's territory. This is the major premise. There must not be the slightest vagueness on the matter of national sovereignty. There is only one China in this world, not two or even several Chinas. The continuation of colonial rule will not be allowed. Article 1 of Chapter I of the Macao Basic Law has clearly stipulated that: "The Macao SAR is an inalienable part of the PRC." The Macao Basic Law has also stipulated that the central people's government is responsible for foreign affairs and defense related to the Macao SAR, and appoints the chief executive and principal executive officials as well as the chief procurator of the Macao SAR. The laws enacted by the legislature of the Macao SAR shall be reported to the Standing Committee of the NPC for the record, and the power of revising and explaining the Macao Basic Law belongs to the NPC and its Standing Committee. Those stipulations have safeguarded the unity and territorial integrity of our country and given expression to the sovereignty of our country. "Two systems" means that the system in Macao may be different from the socialist system practiced on the mainland. Article 5 of the General Principles in the Macao Basic Law clearly stipulates: "The socialist system and policies shall not be practiced in the Macao SAR, and the existing capitalist system and way

of life shall not be changed for 50 years." The Basic Law also stipulates that the Macao SAR is entrusted by the NPC to exercise a high degree of autonomy in accordance with the Basic Law and is vested with executive power, legislative power, independent judicial power, and the power of final adjudication. The executive and legislative organs of the Macao SAR shall be formed by the permanent residents of the region according to related stipulations of the Basic Law. Those stipulations have demonstrated the spirit of "one country, two systems" and embodies a high degree of autonomy. Facts have proven and will continue to prove that "one country, two systems" is in accord with the reality of the great cause of China's reunification, and is an open-minded and practical policy which takes both historical background and actual conditions there into consideration. It is completely feasible.

The approval of the Macao Basic Law marks Macao's entrance into a new period of transition. The Basic Law is the fundamental law for the Macao SAR, and is the general charter for solving the Macao issue with authority and it has binding force. From now on, the development of political, economic, cultural, and other social activities in Macao must all converge upon the stipulations of the Basic Law in order to ensure a stable transition and smooth handing over of power. This represents the common interests of people of all nationalities of the entire country, including compatriots in Macao. We are faced with a new task, which is to properly publicize the Macao Basic Law and the central authorities' principles and policies for Macao. People in Macao and on the mainland must all do things strictly in accordance with the law, and make contributions to implementing and protecting the Basic Law.

In a little more than six years, the Five-Starred Red Flag of the PRC and the green regional flag of the Macao SAR with a design of five stars, a lotus, large bridge, and an ocean will be raised high in beautiful Macao. Ending the past and opening up the future will be the glorious mission of people of all nationalities of the whole China as well as the 350,000 compatriots in Macao. Let us hold both hands high to greet the arrival of this brilliant day.

Correction to Item on 'Pragmatic' Trend

OW0104022793

The following correction pertains to the item entitled "Commentary Discusses Session's 'Pragmatic' Trend," published in the 31 March China DAILY REPORT, beginning on page 24:

Page 24, second column, fifth full paragraph of column, first sentence, make read: ...to build a good foundation and increase its staying power before embarking on high-speed economic.... (rewording)

Same page and column, sixth full paragraph, from end of last sentence, make read: ..."four small dragons." [new paragraph]

What should Guangdong—a pioneer in reform and opening up in the 1980's—do when China embarks on all-around.... (rewording)

Page 25, first column, third paragraph below bolded subhead, second sentence, make read: ...let slip a good opportunity because of our failure to do our work well. While participating in Guangdong.... (rewording)

Same page and column, fourth paragraph below bolded subhead, from end of last sentence, make read: ...that China has identified its direction, its government functions well, and its people enjoy peace. [new paragraph]

The realization of opportunity conveys.... (rewording)

Same page, second column, second full paragraph of column, first sentence, make read: ...Deputy Zhu Wanli, president of the Guangdong Provincial People's.... (changing "director" to "president")

Page 26, first column, second paragraph of column, first sentence, make read: ...Deputy Zhu Wanli, president of the Guangdong.... (changing "manager" to "president")

Same paragraph, antepenultimate sentence, make read: ...option is to strengthen taxation as a means of macro regulation and control. Heavy taxes should be imposed on industries that need not be developed, and light taxes should be collected from industries that are to be encouraged to develop. However, this option remains.... (rewording)

Correction to Jiang Speech at NPC Closing *OW0204064593*

The following correction pertains to the item headlined "Jiang Zemin Addresses Session Closing," published in the 31 March China DAILY REPORT, beginning on page 33:

Page 34, first column, last paragraph of column, last sentence, make read: ...definitely belongs to the Chinese people, who have become stronger, self-confident, and self-reliant after going through many vicissitudes of life. (end of item) (rewording)

Correction to Government Work Report Resolution *WA0204155093*

The following correction pertains to the item headlined "Resolution Approves Government Work Report," published in the 1 April China DAILY REPORT, pages 19 and 20:

Page 19, second column, second full paragraph of column, from second sentence, make read: ...deepen the reform of the economic system, open wider to the outside world, and make a great stride forward in establishing a socialist market economy. We should be bold in our practice and actively explore on the basis of trying to do what is conducive to developing the productive

forces, increasing the overall strength of the state, and improving the people's standard of living. We should separate government functions from those of enterprises, speed up the transformation of operating mechanisms in state-owned enterprises, vigorously cultivate and develop markets of all types, and improve the pricing system in which prices are mainly determined by market forces. We should give full play to the market's fundamental role in allocating resources, improve macroeconomic management, and gradually establish a system of macroeconomic control suitable for the development of a socialist market economy. We should be good at employing legal means to regulate economic relations and gradually bring the operation of a socialist market economy onto the realm of law. In accordance with the requirements for establishing a socialist market economy, we should conscientiously reform our administrative system and government institutions. We should boldly learn from and absorb the achievements of foreign countries, especially economically developed countries, when establishing and developing a market economy. We should be good at summing up experiences and at promptly discovering and resolving problems encountered during the course of our advance. We should open wider.... (picking up last sentence of paragraph, providing indistinct passage)

Correction to Qiao Shi Speech at NPC Closing *OW0204021193*

The following correction pertains to the item headlined "Speech by Qiao Shi at Closing of NPC," published on pages 22-24 of the 1 April China DAILY REPORT:

Page 22, column one, second paragraph of item, first sentence, should read: ...has spoken freely in discussing state affairs together. It has been.... (adding "in discussing state affairs together");

Same paragraph, sentence three, should read: ...resolutions and decisions giving full expression to the will of.... (rewording and combining sentences three and four);

Same page, column two, first full paragraph, sentence three, should read: ...up to the great trust and high expectations of.... (adding "great trust and");

Same page, same column, last paragraph, first sentence, should read: ...conscientiously exercised the functions and powers entrusted by the... (changing "rights" to "functions and powers");

Page 24, column one, first full paragraph, first sentence, should read: ...Standing Committee is part of our.... (deleting "the main").

Political & Social

Dissident Catholic Priest Wins Early Release

HK0204122593 Hong Kong AFP in English 1132 GMT 2 Apr 93

[Text] Hong Kong, April 2 (AFP)—China has released a Roman Catholic priest from prison in a sign that it wishes to improve its bid for full international rehabilitation, a human rights activist said Friday.

Father Pei Ronggui, who was jailed in 1989 for "disturbing social order" just weeks before the June crackdown on prodemocracy demonstrators in Beijing, was released a year early, said Hong Kong-based John Kamm, who works to secure the release of Chinese political prisoners.

Kamm said he could only guess at the reasons for the release.

"Clearly there is a more sophisticated assessment by Beijing of its international image. They've got to know that holding Catholic priests in prison while you're trying get the Olympic games doesn't look too good.

"Also, sooner or later China and the Vatican will have to normalise ties," Kamm, a U.S. businessman said.

China is bidding to host the 2000 Olympic Games.

While Beijing sanctions the Catholic Patriotic Association in China, it outlaws Roman Catholicism as it recognises another head of state, the Pope, as leader.

Pei, 55, a trappist, was the leading Catholic priest in a village in Hubei when the villagers, mainly Roman Catholics, demanded the return of their church which authorities had converted to a school.

The authorities sent in troops whom villagers said killed two people. Pei escaped but was later caught and sentenced to five years.

Kamm said Pei's case had been taken up by various government's and pressure groups but there had been no sign of his imminent release.

Kamm received a one line notification of the release from Beijing authorities with whom he has frequent contact.

He added that Catholic Bishop Wang Milu was still in prison, after almost ten years, in Gansu province.

Media's Right to Coverage, Watchdog Role

HK0204053293 Beijing ZHONGGUO XINWEN SHE in Chinese 0640 GMT 31 Mar 93

["Roundup" by ZHONGGUO XINWEN SHE correspondent Liu Hongtao (0491 3163 3443)]

[Text] Beijing, 31 Mar (ZHONGGUO XINWEN SHE)—The Chinese press has often been the defendant,

and lost most of the time, in many recent attention-getting lawsuits involving polemics. As there have been reports that a "journalism law" would not be issued for a while, the rights and obligations for news reporters have become a focus of concern and debate.

Writs against the press from the second half of 1992 onward have greatly increased in number and grown increasingly complicated. While previous cases involved only simple reporting inaccuracies and disputes over name and reputation, there are now the following phenomena:

—Disputes over privacy and portrait rights, as in the lawsuit between Cui Jian and Zhao Jianwei.

—Litigation arising from literary criticisms, such as the complaint filed to Beijing Haidian District Court by Fang Yihua, the scriptwriter for the main-theme genre movie "Jiao Yulu," against ZHONGGUO DIANYING ZHOUBAO [CHINESE FILM WEEKLY] for an article, entitled "Addressing Fang Yihua and Beyond," disparaging lax censorship and the movie's crude production.

—Litigation over newspaper commentaries and essays, such as the lawsuit filed by the Guomao Center against veteran writer Wu Zuguang.

Increases in journalistic lawsuits, while testifying to a stronger sense of law among people, which can promote greater fairness and accuracy in news reporting, have caused some concern in the press. A journalist said: There is no way you can guard against it. When taking pictures of an old veteran soldier doing morning workouts on the street may end in a lawsuit, who dares to speak up for the truth? How can we fulfil our media watchdog role in the future?

A scrutiny of Chinese law shows that there is not one law in China granting journalists the right to coverage. A journalist would be tongue-tied if questioned in court about "his right to coverage."

The law does not specify the range of the journalist's right to coverage, or the extent beyond which he will have infringed on the reputation of a citizen and what kind of responsibility he therefore bears. As a result, there is bound to be much leeway and uncertainty in journalistic lawsuits.

The courts have so far been handling journalistic lawsuits in accordance with the "General Civil Code." While citizens suing journalists have the code to protect their name and privacy, there is no legal protection for journalists' right to coverage. This is like a duel in which one person is armed with a gun and the other is bare-handed. Attorneys have already been saying in private that without a "journalism law," it is hard for the press to win lawsuits. Therefore, many press people have been calling for necessary judicial protection for media supervision. At the same time, judicial organs should be impartial in trying cases, which means not bowing to

pressure and sticking to facts. Judging from the trial processes of some journalist lawsuits, there were interference from external factors in the trials of some cases.

As regards judicial protection for media supervision, reference can be made to some foreign countries' successful experience. While the right to name and privacy should be protected, we should not forget that citizens' right to the freedom of speech is mainly shown in "exemption from responsibility for libel," which means that commentaries made without malice would not get the commentator punished even if they are found to be libelous [as published]. American law provides that news reporting can be absolved from legal responsibility in the following three cases: true reports, fair commentaries and criticisms, and where the press has special coverage privileges.

Of course, the Chinese press should not be thinking wishfully that it will be peaceful and uneventful all the way once a "journalism law" is unveiled, much less should it just sit waiting. There are many things that can be done right now.

First, as it has always seen itself as a crusader for justice, the Chinese press should still strengthen media supervision and, in particular, should not refrain from critical reportage because of increases in lawsuits; for this is journalists' prerogative.

Second, we must report things as justly, objectively, truthfully, and comprehensively as we can. This is journalists' obligation.

Third, we should encourage news of good taste. "Movie stars tracking" and grapevines have only a short-lived appeal. It is observations and minds on the fate of national politics, the economy, and culture and related policies that can really hold people's interest.

Fourth, the press must learn to protect itself. Generally, it can get protection for its media supervisory power by fully exercising its watchdog role, creating opinion climates, urging social concern, and supporting fair trials by judicial organs. For journalists, there are many skills by which they can avoid unnecessary lawsuits.

The "troubles" the Chinese press are subject to are "growing pains" which can be said are unavoidable in its maturing and beginning to play a greater role in social progress and gradual opening up. Social progress relies on media supervision, which relies on the support and cherishing of society as a whole. Fewer "troubles" will signify that Chinese society is beginning to get more civilized.

Popularity of Qian Qichen Highlighted

HK0204011593 Hong Kong SOUTH CHINA
MORNING POST in English 2 Apr 93 p 10

[Article by Geoffrey Crothall in Beijing]

[Text] If China held popular elections, there is a good chance Foreign Minister Mr Qian Qichen would have been hosting Wednesday's press conference in the Great Hall of the People rather than Prime Minister Mr Li Peng.

Mr Qian received the highest number of votes in the elections for vice-premier at the just closed National People's Congress and was described by an official newspaper this week as "the pride of the Chinese people".

"If Qian Qichen was on the ballot as well as Li Peng, I think he would have won easily," a Western diplomat said.

"He is genuinely liked and admired, and Li Peng certainly is not going to win any popularity contests."

The Legal Daily [FAZHI RIBAO] newspaper on Tuesday heaped praise on Mr Qian and his achievements in foreign policy, describing him as "courageous and resolute, natural and unrestrained, intelligent and charismatic", in fact, everything Mr Li was not.

"Qian has served in diplomatic circles for nearly 40 years and has won great prestige for China through his outstanding abilities in foreign affairs...he is the pride of the Chinese people," it said.

The paper said Mr Qian received "unexpectedly warm applause" when the results of his two elections were announced at the congress.

Mr Qian got an approval rating of 2,883 votes in the elections for vice-premier and did even better in the vote for foreign minister, with 2,888 in favour, eight against and no abstentions.

A small random survey of Beijing residents yesterday confirmed Mr Qian's popularity among the disenfranchised.

"He has done a great job for China, so, yes, I would vote for him" a businessman said.

Of the two dozen people questioned, only two said they would support the premier, both saying Mr Qian was not qualified because he had no experience in domestic affairs.

But despite his evident popularity, most analysts agree Mr Qian does not have a realistic chance of challenging for the top leadership post.

"He has no real power base where as Li Peng is looking very solid at the moment," a Western diplomat said.

"Li Peng definitely has very strong support, not only in the State Council but in the provinces as well, but Qian Qichen has no real power outside the diplomatic area."

Other political analysts noted that both in China and the former Soviet Union, foreign ministers have traditionally been policy implementers rather than policy makers.

"Qian Qichen would really have to give up his foreign affairs portfolio and move into domestic policy if he were to make a challenge for the leadership," he said.

But there is no clear successor to Mr Qian at the Foreign Ministry, with none of the vice-ministers being remotely qualified for the job.

Furthermore, political observers say, it is unlikely Mr Qian will make a bid for the premier's job since it was Mr Li who appointed him Foreign Minister in the first place.

Science & Technology

Remote Areas Install Solar Power Generators

OW0104032393 Beijing XINHUA in English 0031 GMT 1 Apr 93

[Text] Lanzhou, April 1 (XINHUA)—The remote north-western China is trying to install more solar power generators to bring light to peasants and herdsmen.

The regions include the Tibet and Inner Mongolia Autonomous Regions and Qinghai and Gansu Provinces, which are sparsely populated and economically less developed.

Although the government has poured huge funds into these areas' infrastructure over the past four decades, power supply is still not available for more than 1.6 million households of local farmers and herdsmen.

Since the early '80s, scientists at the natural energy institute under the provincial academy of Gansu have studied the application of solar energy.

Over the past few years, a number of experimental stations using solar energy to produce electricity have been set up in these areas.

Herdsmen in parts of Tibet and Xinjiang have for the first time watched television programs.

According to Mao Yinqiu, a senior engineer at the institute, China has established a number of factories specializing in manufacturing solar-powered generators.

The government is expanding the experiment and will give financial support to areas where locals are too poor to pay for the generators, the senior engineer noted.

New Software for Input of Chinese Characters

OW0204043793 Beijing XINHUA in English 0336 GMT 2 Apr 93

[Text] Beijing, April 2 (XINHUA)—China has invented software to make inputting Chinese characters easier.

Scientists at the Beijing Supermind Computer Company named their invention "Nature System", saying that any typist can grasp the technique very soon and it is quicker than any other system.

China found a way to input Chinese characters eight years ago, but the method is complicated and takes a long time to learn.

Even using Pinyin, a phonetic alphabet for Chinese, computers often work at low speed owing to the many homonyms in the Chinese language.

Zhou Zhinong, one of the inventors, said the device has reduced the numbers of homonyms to almost zero, but did not go into detail.

The State Science and Technology Commission has recommended that the new system be widely adopted.

Consumers Purchase 500,000 Satellite Receivers

HK0104051893 Hong Kong SOUTH CHINA MORNING POST (BUSINESS POST) in English 1 Apr 93 p 2

[By Gren Manuel]

[Text] About 500,000 satellite TV receivers capable of receiving programmes from AsiaSat or other sources not approved by mainland authorities were sold in China last year, according to a former Ministry of Electronics official. Some people had even bought the electronics boxes needed to receive programmes broadcast in the NTSC format used by Cable News Network, he said. Mainland viewers were attracted by the English-language programming, sports coverage or just curiosity, he said.

Mr Li Qingliang, now a government adviser on radio, TV and telecommunications, told a conference that viewers thought the government policy contradictory in that most of the equipment was imported legally, but officially it could not be used. Mr Li, who based his figures on newspaper reports and official statistics, said the cost of a satellite system was around US\$500, with the electronics usually imported and the dish made in China. He said official sources indicated the country had 15 million subscribers to the various multi-channel systems, including conventional cable TV.

There were about 1,400 cable systems operating at the end of last year, and in the first three months of this year, 429 more systems had started up. He also said foreign investors could make big profits under the new policy of allowing foreign investment in cable TV, even though foreign involvement was not allowed in administration or programming. "More and more big and medium-sized cities are looking for foreign investors," he told the 1993 Pan Asia Satellite and Cable TV Conference. He said the new policy had so far allowed two deals—the Wharf-led consortium in Chengdu, Sichuan province, and another in Wuhan which also had Hong Kong partners. As all buildings erected since 1981 had basic TV cabling installed, costs could be low, he said.

A basic system linking building-wide systems with a microwave central transmitter could cost as little as US\$5 per subscriber to create. A conventional cable-based system on

an unwired building would cost about \$25 to \$30. Programme fees typically would be \$1 per subscriber per month, with the operator receiving advertising revenue.

Wiring Up China

Beijing	Already 170,000 subscribers and a pioneer using in microwave links for distribution
Shanghai	Already 400,000 subscribers, with two million planned by the end of 1993
Wuhan	Trial network in 1991 had 10,000 subscribers and now going city-wide
Kunming	A mid-sized city with more than 1,000 building-sized systems to be linked using microwave technology
Taiyuan	Linked 10,000 homes using coaxial cable in 12 months

Source: Li Qingliang from newspaper and official sources

Military

Army Conducts 'Major' National Garrison Shuffle

HK0104141193 Hong Kong CHENG MING in Chinese
No 186, 1 Apr 93 pp 25-26

[Article by staff reporters Lo Ping (5012 0393), Li Tzu-ching (7812 5261 0079): "100-Division-Strong Regular Army Conducts Major National Garrison Reshuffle"]

[Text] "The CPC Army is conducting a national major garrison reshuffle!"

"It is said that the 100-division-strong regular army, including five group armies, is involved."

"Following the reshuffle of the leading groups in various military regions, services, and arms early this year, this is a further rotation of the garrisons in the various military regions and group armies."

Garrisons in Eight Major Military Regions Rotated

The surprise news of the overhaul was spread by the Army hierarchy. It has been learned that the inside story of the major overhaul is: Troops in the Jinan Military Region are to transfer to the Guangzhou Military Region; troops in the Guangzhou Military Region are to transfer to the Chengdu Military Region; troops in the Chengdu Military Region are transferred to the Lanzhou Military Region; troops in the Lanzhou Military Region are to transfer to the Shenyang Military Region; troops in the Shenyang Military Region are to transfer to the Beijing Military Region; troops in the Beijing Military Region are to transfer to the Nanjing Military Region; and troops in the Nanjing Military Region are to transfer to the Jinan Military Region.

The sources said: Some battalions of the No. 5, No. 7, and No. 8 Missile Units under the No. 2 Artillery, which were originally stationed at sites along the Sino-Soviet border in Xinjiang Province, including Yining, Bole, Aksu, Kashi, and Burqin, received an order from the central authorities as early as the beginning of January and moved to Hebei, Zhejiang, Guangdong, Jiangsu, and

Hainan Provinces to take up garrison duties. During the Spring Festival, leaders of the No. 2 Artillery went to the sites where the troops were stationed to extend their regards.

Jiang Zemin Issues General Order Calling for Completion of Reshuffle by End of April

Jiang Zemin signed and issued General Order No. 3 of 1993 on behalf of the Central Military Commission on 1 February. The general order urged troops in the various major military regions and of various group armies to arrive at military regions, areas, and barracks where they would be stationed to replace other garrisons in accordance with the CPC Central Commission's deployment and that it was necessary for stipulated units to reach the right place on time. The general order urged troops of services and of arms, which were transferred and relieved garrisons as ordered, to complete the work by 30 April.

This major army reshuffle is the largest since 1985.

A senior cadre, who has close contacts with the military, pointed out: It is a conventional practice for the CPC to conduct a major reshuffle of leaders and even troops in the military regions at regular intervals. The purpose is to prevent the emergence of factions within the Army and to guard against the situation whereby warlords are entrenched in certain places and pose a threat to the CPC Central Committee's absolute authority. This reshuffle was conducted after the 14th CPC Congress and might be the deployment after a major power struggle.

Jiang Zemin Signed Two Orders Calling for Accelerating Modernization of National Defense

Before that, Jiang Zemin had signed and issued two orders in his capacity as chairman of the Central Military Commission.

On 11 January, an order called "Party Committees of the Whole Army Must Conscientiously Implement Comrade Deng Xiaoping's Line for Army Building" was signed and issued.

This order mainly included firmly grasping and implementing streamlined administration.

It also called for improvement of the weaponry and accelerated modernization of national defense on the basis of continuous development of the national economy.

The order stressed: It is necessary to enhance military and political training, to enhance the military and political quality of troops, and to match and improve the coordinated combat capability of various services and arms under conditions of modernization. It is necessary to further build close relations between the Army and the government and between the Army and the people and to strengthen unity and the high level of organization and discipline within the Army.

On 16 January, another order called "We Must Strengthen and Accelerate Research and Production Work of Science and Technology for National Defense and of Military Equipment" was issued.

It mainly included: Research, test, and production of sophisticated, programmed, and electronic military equipment, which is set as a matter of prime importance, must be firmly grasped and implemented.

These two orders pointed out:

- It is necessary to highlight precision, accuracy, practical results, economic benefits, and mobility of military equipment.
- It is necessary to give priority to the development of aircraft and air-to-air and air defense weapons.
- It is necessary to improve and develop guided missile destroyers, conventional and nuclear-powered guided missile submarines, and the naval air force.
- It is necessary to extend modernized higher naval and air force military academies to train qualified personnel for modernized military command and combat.

Ambitions of Becoming Military Power

The CPC made public at the First Session of the Eighth National People's Congress that its military expenditure had increased by 14 percent. Its ambition to strive to become a world military power is exposed as it spends huge military expenditure to develop advanced weapons. As far as the global pattern of the post-cold war era is concerned, we cannot help but say that this is another factor about which people are anxious.

Economic & Agricultural

Goods for Tourist Resorts Exempt From Tax

OW0104145393 Beijing XINHUA in English 1341
GMT 1 Apr 93

[Text] Beijing, April 1 (XINHUA)—Materials, goods and equipment needed for the construction of state

designated tourist holiday resorts are exempt from today from import duties and value-added tax.

Qian Guanlin, director of the General Administration of Customs, today signed an order for the implementation of the regulations on import and export goods by state tourist resorts in a bid to enhance the development of China's tourism.

Overseas investors should apply to departments for approval of their investment in the construction of tourism projects at state tourist resorts in accordance with regulations by the State Council.

As to those import and export goods needed by the resorts which need licenses, customs should operate in line with the licenses.

The nine-article regulations decree that the opening of foreign currency shops in resorts should comply with state regulations. The import tariffs and taxes on imported goods should be levied in line with relative regulations.

However, spare parts for Chinese-produced automobiles purchased by approved tourism taxi companies for service at the resorts will not be exempt from import duties, consolidated industrial and commercial tax or value-added tax.

The regulation also says that daily necessities and communication means for use by representative offices of overseas enterprises, and the overseas staff of these enterprises, in such resorts, will be exempt from import tax up to a reasonable amount after the examination and approval by customs.

Worker Participation in Iron, Steel Firm Viewed

OW0204080093 Beijing XINHUA in English 0728
GMT 2 Apr 93

[By Wu Xiao: "Workers Have Complete Say in Welfare Management in Shougang"]

[Text] Beijing, April 2 (XINHUA)—When one enters the gate of Beijing Capital Iron and Steel Company (Shougang), the first thing to be seen is a large shop. All the commodities there are sold at purchase prices, some five to 20 percent lower than in other stores.

This is only one of the comprehensive welfare facilities at Shougang.

With 250,000 workers, Shougang is a small society with many service installations and departments, like most of China's large-sized state-owned enterprises. They include residence quarters, kindergartens, groceries, buses for workers' outings, hospitals and recreational centers.

But different from other state-owned enterprises, the facilities in Shougang are not run by administration departments, they are built and managed by the workers'

welfare management committee of Shougang using welfare funds it has raised itself.

Shougang workers can send their children to any of Shougang's 50 kindergartens, paying only for food.

As Shougang's houses are built using reserved profits, the rents are several times lower than those in other units. The rent for a small three-room apartment is not much more than four yuan, about one to two percent of a worker's monthly wage.

If a Shougang worker has one meal in Shougang's dining hall everyday and goes home with foodstuffs bought in Shougang, he can save another 900 yuan a year. As Shougang has 14 food production lines and meat production bases.

During the weekends and festivals, Shougang workers can take Shougang's buses to go on outings in Beijing and neighboring provinces free of charge.

Shougang's employees have benefited greatly from the reform. Before its implementation of the contract system in 1979, Shougang did not have much independent management power in using money. It even had to apply for permission from the higher authorities to build a public lavatory.

Since implementing the contract system, Shougang's profits have been increasing at the rate of more than 20 percent every year for 14 years running. Apart from handing over profits and taxes to the state, Shougang uses 60 percent of reserved profits to expand production, 20 percent for collective welfare and another 20 percent for workers' wages and bonuses.

To make sure welfare funds are used rationally, Shougang established a workers' welfare management committee in 1986. The director of the committee is elected directly by the company's 250,000 workers by secret ballot. At Shougang, only four top leaders are elected in that way.

The committee has subcommittees to take care of housing, medical and health care, kindergarten and supplies.

Wang Ruoqian, one of the committee members, said, every new welfare project involving over one million yuan has to pass 10 to 20 discussions and revisions by the committee and the workers.

In addition, the committee distributes about 5,000 questionnaires among workers' representatives to ask for appraisal of work conducted by all the welfare services departments attached to the committee. If a department does not get the approval of over 91 percent of respondents, the employees in that department will get less bonus.

Chen Huijuan, a doctor at one of Shougang's hospitals, said the decoration of the houses and installation of

household facilities is conducted by the Shougang maintenance team free of charge.

Her three-door Japanese-made refrigerator is packed with chicken, fish, meat, bread and vegetables produced by Shougang's bases. She said the convenient supply has greatly reduced household work burdens.

Wang Xuejun, 28, works in a Shougang rolling mill. He was awarded a two-room apartment last year for his excellent skills and outstanding achievements in his work, in line with the principle of "distribution according to one's work". If the apartment was given according to age and seniority, as used to be the case, he would have had to wait for several years for it.

Many Shougang people said this democratic way of managing their everyday lives makes them feel like the real masters of the enterprise.

Gansu Nonferrous Base Regains 'Old Reputation'

OW0204104593 Beijing XINHUA in English 1001
GMT 2 Apr 93

[Text] Lanzhou, April 2 (XINHUA)—After nine years of hard effort, the Baiyin nonferrous metals company, which is based in Baiyin city in northwest China's Gansu Province, has regained its old reputation as the country's top nonferrous metals producer.

In 1992 the company turned out 120,000 tons of copper, lead, zinc and aluminum, surpassing 100,000 tons for the first time and 3.4 times the figure in 1983, when the firm was suffering its most difficult period.

Known as China's "copper capital", the Baiyin company was among the 156 key industrial projects in the country's First Five-Year Plan period (1953-1957).

The company led the country in copper and sulphur output for 18 years. However, in the early 1980s its production dropped by two thirds due to factors such as exhaustion of mineral resources and aging of equipment.

Facing up to all challenges, the company initiated its rebuilding program in 1984.

Over the past ten years, a large-scale technological upgrading program has been implemented by the company, and more than 200 million yuan (about 35 million U.S. dollars) has been spent introducing over 600 items of advanced equipment and technology.

Moreover, two billion yuan has been poured into infrastructure works to expand its capacity, including the building of a lead-zinc mine and two smelting plants.

On the other hand, the company leadership has spared no efforts to tackle the problem of overstaffing and other old structural problems.

Over the past few years 82 enterprises with legal person status have been opened by the company. With over 16,000 employees, they turned out 300 million yuan in output value last year.

Xinjiang Develops New Oil Production Center

OW0204093093 Beijing XINHUA in English 0913
GMT 2 Apr 93

[Text] Urumqi, April 2 (XINHUA)—The Turpan depression in northwest China's Xinjiang Uygur Autonomous Region, renowned for grapes, is now becoming a major crude oil and natural gas production base.

A regional government official said new oilfields designed to pump 28 million barrels (four million tons)

of crude oil and 600 million cubic meters of natural gas annually will be developed in the Turpan-Hami basin during the 1991-95 period.

He said China's petroleum industry will rely primarily on the Turpan-Hami oilfield to increase production during that period.

The Turpan-Hami basin covers 48,000 square kilometers, about two and a half times as large as the Kuwaiti oilfields.

The Shanshan oilfield, presently being developed, will be the first capable of producing seven million barrels (one million tons) per year in the basin. It now pumps 550,000 tons annually, with 100 oil wells and 24 updated production processes.

East Region

Work Report by Anhui Governor Fu Xishou
OW1103150693 Hefei ANHUI RIBAO in Chinese
13 Feb 93 pp 1-3

["Government Work Report Delivered by Governor Fu Xishou at the First Session of the Eighth Anhui Provincial People's Congress on 30 January 1993"]

[Text] Fellow deputies:

On behalf of the provincial people's government, I am submitting a government work report to the session for your deliberation and examination, and to solicit opinions from members of the provincial committee of the Chinese People's Political Consultative Conference [CPPCC] and other comrades attending this session as observers.

I. A Review of 1992 and the Past Five Years

Greatly encouraged and directed by Comrade Deng Xiaoping's important talks during his South China tour and the guidelines of the 14th CPC Congress, and led by the provincial party committee, people of all nationalities in Anhui carried out the party's basic line, further emancipated their minds, vigorously proceeded with reform, and opened wider to the outside in a high-spirited, united, and unswerving manner in the past year. Anhui's economy grew at a high speed, and thriving development can be seen everywhere. Anhui's gross national product [GNP] and total output value of industry and agriculture in 1992 amounted to 70 billion yuan and 133.3 billion yuan, up 17 percent and 23 percent from the previous year, respectively. Social undertakings of various kinds made new development and the construction of socialist material civilization and socialist spiritual civilization took on a new aspect.

—Greater Efforts Push Reform to a New Peak. Focusing on the establishment of a socialist market economy, the provincial government further streamlined administration and instituted decentralization by extensively delegating authority in economic management such as planning, investment by foreign businesses, financing, and pricing to accelerate and promote enterprise reform. Supporting reforms in investment, circulation, scientific and technological systems, and other areas was also launched. The capital, technology, labor, and other productive factor markets also grew further and took a giant step toward the market economy. This is another big breakthrough following rural reform and urban economic restructuring.

Stepping up the pace of reform in enterprises owned by all the people with emphasis laid on motivating the change of operating mechanisms in enterprises: With 717 state-owned industrial enterprises instituting internal reform of the three systems [reform of distribution, personnel, and wages] on a trial basis, and over half the large and medium-sized enterprises probing various

ways to reform, the development of enterprise groups, realization of enterprise mergers, promotion of a rational circulation of productive factors, and other developments have all achieved initial success. About 80 percent of the state-run commercial enterprises were given authority in operations, pricing, distribution, and employment; this reform was launched extensively in Hefei, Bengbu, Tongling, and other cities. The shareholding system experiment also took a new step forward. The Maanshan Iron and Steel Complex was among the first group of enterprises to receive state approval for instituting the shareholding system on a trial basis, and the number of pilot joint-stock enterprises with certain scale in the province amounted to 160. Fuyang and other places saw faster development in the rural joint stock system.

Stepping up the pace of price reform: Anhui decontrolled the prices and charges of 223 commodities and service items and readjusted 222 others last year, the largest scale since the reform was instituted. Since Anhui adopted equal purchasing and marketing prices for food and oil last April, eight cities directly under the provincial government and 21 counties (cities) have successively decontrolled their food and oil prices, and market prices have basically remained stable since then. With the State Council's approval, five prefectures and cities have officially carried out Anhui's housing reform program. The scope of endowment insurance was expanded and that of unemployment insurance increased from four categories to eight, including collectives, private enterprises, Chinese-foreign joint ventures, cooperative enterprises, and exclusively foreign-owned enterprises. Reform of the free medical care system has been inaugurated, and most prefectures, cities, counties, and organs directly under the provincial government have instituted a new system with the state, units, and individual jointly bearing the expense.

—A Breakthrough Was Achieved in Opening to the Outside World. Wuhu and Hefei cities entered the rank of "state teams" in opening up and enjoyed policies for coastal open cities. Wuhu port started receiving foreign ships, and the Huangshan airport obtained permission to set up an airport trading post. Eleven prefectures and cities and 14 enterprises were given the right to handle foreign trade business and exports; the number of overseas "window" companies amounts to 45. The construction of the Hefei New and High Technology Industrial Development Zone and the Wuhu Economic and Technical Development Zone was accelerated, showing a bright future. Fuyang, a pilot area of comprehensive rural reform, took a bigger step forward in opening to the outside world. International tourism was promising, with the incoming tourists/day and foreign exchange earnings growing 20 percent and 35 percent over the previous year, respectively. Anhui has opened up unprecedented prospects for opening up to the outside world.

We enjoyed unusually rapid development in utilization of foreign funds. Approval for the establishment of 710

new Chinese-foreign joint ventures, cooperative enterprises, and enterprises solely owned by foreign businessmen was granted. They utilized a total of \$360 million's worth of foreign funds under agreements reached after business negotiations. These figures represent an increase of 2.5 times and 3.5 times, respectively, over all figures of the previous eight years put together. Among them were a number of large projects with a total investment amount in excess of \$10 million. The service and real estate sectors of the tertiary industry became new hot spots of foreign investment. A total area of 600,000 square meters was leased to foreign businessmen.

Foreign trade as well as imports and exports enjoyed relatively rapid growth; and there was marked increase in our economic returns. The total import and export volume increased 28.8 percent to reach \$1.1 billion. Among this, the total export volume posted a net increase of \$120 million, or 18 percent, to reach \$830 million. The export product mix was further improved. Exports of finished industrial products rose 10 percentage points, with exports of machinery and electronic products registering a growth rate of 42.7 percent. The sectors affiliated with foreign trade in our province did not report any new losses; moreover, they succeeded in offsetting previous losses of \$40 million debited on their books. We introduced technology worth a total of \$200 million during the year.

We further expanded contacts with foreign countries and regions. A provincial government delegation visited Hong Kong and Macao to solicit business opportunities in August 1992. It improved mutual understanding and established links between Anhui Province and Hong Kong and Macao regions, and evoked comparatively enthusiastic responses. More delegations and groups visited Anhui from overseas. Anhui played host to a number of important international guests and prominent figures from Hong Kong and Macao. Cultural, economic, and trade fairs were held in all fields. The China Bean Curd Festival was held in Huainan City, the first International Festival of Traditional Chinese and Culture in Bozhou City, the Chrysanthemum Festival in Wuhu City, the Poems Composition and Recital Festival in Maanshan City, the Huangmei Opera Festival in Anqing City, the Bronze Cultural Expo in Tongling City, the Temple Fair in Jiuhuashan Mountain, and the '92 International Tourism Festival in Huangshan Mountain. Using various cultural forms with a strong local flavor, they attracted vast numbers of tourists and businessmen from other parts of China and from abroad, and produced very good results. We made new progress in promoting lateral economic ties and achieved new success in carrying out work on foreign affairs, Overseas Chinese affairs, and Taiwan affairs.

We succeeded in increasing agricultural production again. Total agricultural output value increased 16.6 percent from the previous year's level to reach 36.8 billion yuan, with total output of grain increasing 31.2 percent to reach 22,956,000 tonnes, the normal level of

previous years. The total output of cotton reached 256,000 tonnes, making 1992 a second high-yield year in the history of our province; the total output of oil-bearing crops reached 1,408,000 tonnes, close to the record high output level; and the production of other cash crops also enjoyed growth to various extents. Agriculture embarked on a course of development oriented to achieving a high yield of excellent quality products that will ensure high economic returns. The area of farmland growing excellent quality rice expanded, while the area of cash crops also increased. We sped up implementation of the reforestation and greening program under the "Eighth Five-Year" Plan. To date, 48 counties (cities and districts) have succeeded in reforesting barren hills and mountains. A great mass campaign for construction of water conservancy facilities was launched after the serious floods we experienced in the past. The second large-scale mobilization of the masses to harness the Huai He and carry out construction of water conservancy facilities on farmland since the founding of the People's Republic was launched across the province. A labor force totaling 550 million [as published] workers was committed during the year, accomplishing the excavation of 470 million cubic meters of earth and stone. We achieved marked success in carrying out the work of helping impoverished areas promote economic development. Six impoverished counties along Huai He very quickly resumed economic development after the disastrous floods. Village and town enterprises enjoyed very rapid development with unprecedented momentum. They achieved a total output value of 58 billion yuan, posting a growth rate of 57.2 percent during the year.

The industrial growth rate accelerated, and economic efficiency improved to some degree. Industrial output value totalled 96.5 billion yuan, an increase of 25.8 percent over the previous year. The sales revenue and profit plus taxes of budgeted industrial enterprises increased 18.6 percent and 46 percent, respectively; the number of money-losing enterprises decreased 14.4 percent; and losses by enterprises decreased 33.3 percent, reversing the trend of a continued increase in losses since 1985. The economic efficiency and growth rate of large and medium-sized enterprises increased more rapidly; enterprises' vitality increased; their industrial output value and sales volume increased 13.1 percent and 11.7 percent, respectively; and 98.8 percent of goods produced by these enterprises were sold. Enterprises quickened the pace of technological transformation: units owned by all the people invested 3.6 billion yuan in updating and converting technology, up 38.5 percent from the previous year. As a result, the quality of their products improved. The overall energy consumption for producing 10,000 yuan worth of industrial products dropped 5 percent from the previous year. The volume of goods transported increased 18.6 percent. A program-controlled telephone system was installed in all prefectures and cities; the telephone systems of cities at the county level were automated; and the total volume of

postal and telecommunications work increased 42 percent. New progress was made in environmental protection. A state environmental report graded Anhui's ecological environment as good and listed it as one of the country's best. Hefei won six titles of honor, including being selected as one of the country's 50 cities which have the greatest overall strength and named as one of the country's three garden cities.

The market was brisk and active, and prices were basically stable. The province's retail sales totalled 33.7 billion yuan, an increase of 12.5 percent over the previous year. The growth rate of commercial enterprises owned by all the people was higher than that of other commercial enterprises. Country fair trade was active in both urban and rural areas; and private and individually run businesses played an active role in commodity circulation. Construction of markets and commercial outlets quickened: the construction of 114 commercial outlets, each one with a floor space of more than 3,000 square meters, began, and 419 country fair markets were rebuilt or expanded. New progress was made in building nonstaple food production bases. The overall index of retail prices rose 6.5 percent in 1992, basically keeping within the annual control target.

New progress was made in constructing key projects. The fixed-asset investment of units owned by all the people was 9.6 billion yuan, 30 percent more than in the previous year. Of this investment, 83 percent was of a production nature. The construction of 28 key projects, of which the progress is to be evaluated, is proceeding smoothly: The Hefei-Ningbo Freeway (Anhui section) has been completed; the (Xuancheng)-(Hangzhou) railroad has been put into trial use; the annual work plan for the Huaihong Xinhe project has been completed smoothly; the No. 2 generator set of the Pingyu Power Plant, the No. 1 generator set of the Wuhu Power Plant, the No. 7 generator set of the Huaibei Power Plant, the Panji No. 3 well, and the Yuxikou coal wharf were basically completed or have been put into operation; construction has quickened for the Hefei-Jiujiang Railroad, the Hefei-Tongling Highway, the Tongling Chang Jiang Bridge, the 2,500-cubic-meter blast furnace of the Maanshan Steel Complex, the Anhui Provincial Radio and Television Center, the Yuan Mansion, and other key projects; and construction has begun for the Maanshan No. 2 Power Plant, the Anqing Polypropylene and Acrylic Fiber Project, the Tongling Cement Factory, the Fuyang-(Huainan) multi-track railroad, the Hefei-Wuhu Freeway, and other major projects.

The province's financial income increased gradually, and the financial situation was stable. All localities worked hard to increase revenue, to reduce expenditure, and to step up work in collecting and managing taxes, enabling the province to have a financial income of 5.51 billion yuan last year, up 14.5 percent from the year before. The province's financial expenditure was 7.39 billion yuan, dropping 7.2 percent from the year before. The banks' total balance of deposits of all kinds totalled 39.35 billion yuan at the end of 1992, 6.29 billion yuan

more than at the beginning of the year. The amount of loans of all kinds totalled 58.53 billion yuan at the end of the year, an increase of 9.02 billion yuan over the beginning of the year. The province's fund market became more active: bonds and debentures of all kinds with a total value of 1.4 billion yuan were issued in 1992, an increase of 1.65 times over the previous year, providing effective support for the province's economic construction.

New progress was made in science, education, cultural development, and public health work. Science and technological work was further oriented to serve the main battlefield of economic construction. Encouraging achievements were made in technological development, in tackling crucial scientific and technological problems, in carrying out the Spark Plan and the Torch Plan, and in developing agriculture by popularizing scientific knowledge and promoting education. We achieved more than 1,000 scientific and technological results, of which 14 won state science and technology, spark, and invention prizes. The science and technology market was active: technology transactions totalled 270 million yuan, ranking Anhui Province 11th nationwide in terms of the volume of technology transactions. The province's privately run scientific research organizations increased to more than 750. The decision to give large prizes to Tai Zhenlin and other outstanding scientists and technical workers was well received by the public.

Schools at all levels and of all kinds adhered to the socialist educational course; institutes of higher learning and technical secondary schools expanded the scope of education, enrolling more than 5,200 extra students committed by various units, as well as self-financed students. Primary school education has basically been popularized across the province, and localities with 14 percent of the province's total population have promoted compulsory education at the junior middle school level. Good results were achieved in improving school conditions, and Anhui was named one of the country's advanced provinces. Restoration and rebuilding of 8.1 million square meters of school buildings destroyed by floods were basically completed. Some 520,000 illiterate people were provided with education in 1992.

The 1992 population control task was accomplished. The province's birth rate was 18.76 percent last year, 0.243 percentage points lower than the previous year. Further development was made in culture, public health, sports, journalism, and publishing work. The Anhui opera "Dream of the Red Chamber" won the second national cultural prize. Twelve of the counties selected to run an initial health and medical care program on a trial basis basically attained the set targets. Twenty-two counties (cities and districts) attained or basically attained the targets in preventing snail fever; there were fewer cases of endemic diseases and epidemics. Special microwave lines totalling 1,015 km were installed for radio and television broadcasting; and radio and television broadcast were available to 82.5 percent and 79 percent, respectively, of the province's population. In addition,

we successfully held the Seventh Anhui Provincial Games, and provincial athletes won 49 gold medals in major domestic and overseas competitions. New progress was also made in nationality, religious, and archive work, and in compiling local chronicles.

Socialist spiritual civilization building was strengthened. While closely concentrating our efforts on the central task of economic construction, we firmly adhered to the principle of "tightly gripping with two hands"; strengthened the building of spiritual civilization; extensively promoted ideological and political work centering on patriotism, collectivism, and socialism; promoted in-depth study of Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics; and conducted a string of theoretical studies and publicity focusing on quickening the step of reform and opening up, and on invigorating Anhui's economy. Nearly 20,000 office cadres in the province took part in socialist educational activities in rural areas, giving a boost to promoting material and spiritual civilization in rural areas.

Work in promoting administrative honesty was strengthened, and results were achieved after completing the tasks of correcting work style and straightening out disorder. Issues of the wearing of uniforms, setting up check points along highways, the price of electricity for agricultural use, and other hot issues about which the public had complained strongly were dealt with one by one. More than 90 million yuan in unreasonable charges for electricity for agricultural use was reduced from the peasants' burden. The financial burden of enterprises and the masses were reduced by 242 million yuan last year.

Results in the comprehensive control of social order were further consolidated: social security in urban areas and mass defense and mass order maintenance work in rural areas was strengthened, dealing a heavy blow at all kinds of serious crimes and criminal economic activities. In addition, results were achieved in eradicating the "six vices."

The construction of democracy and the legal system was further strengthened. Various forms of constitutional propaganda and education on the Second Five-Year Plan for propagating the legal system were conducted extensively, and the people's legal concepts were further enhanced. A number of local draft laws and regulations were drawn up and submitted to the standing committee of the provincial people's congress for discussion, leading to the enactment of 22 local regulations. Governments at all levels attached importance to and consciously accepted criticism and supervision from people's congress standing committees at the same level and from various social circles; and conscientiously handled proposals by people's deputies and motions by members of the Chinese People's Political Consultative Conference committees. During the Fifth Session of the Seventh Anhui Provincial People's Congress, all 512 suggestions, criticisms, and opinions submitted to the

provincial government were handled and settled. The buildup of grass-roots political power was furthered, and the work of removing districts and merging townships was accomplished smoothly: all 463 district offices were removed, 3,383 townships (towns) were incorporated into 805 towns and 946 townships, and functions of township and town governments were further improved. New progress was made in militia and reserve service work; unity between the Army and the government, and between soldiers and civilians was constantly consolidated.

While affirming our achievements, we should have a clear understanding that, because of the province's original poor foundation and the severe disaster the year before last, a large portion of last year's high economic growth represented recovery; therefore, we cannot overestimate the situation, much less hold blindly optimistic views. There are still many difficulties and deficiencies in economic construction and in our work, such as the shortage of energy, raw materials, and capital supplies caused by high economic growth. The phenomenon of "bottlenecks" has returned. This situation will last for some time and be problematic for economic development. Although revenue grew gradually, financial shortages remained a very salient problem, and revenue hardly met the growing expenditure in all quarters. Attention to agriculture and rural work was insufficient: peasants in some areas were heavily burdened with various kinds of fund collection and apportionment of expenses, which never ceased to grow; the economic returns of agricultural production dropped; "white bills" were used again in procuring farm produce; the circulation of farm products was not smooth; and peasants' enthusiasm was dampened. Many weak links still exist in public security, especially public security in rural areas. All of these problems should receive high attention and be solved in good time in our future work.

Fellow deputies:

Five years have passed since this government's establishment in 1988. The past five years have been a period during which people around the province surmounted difficulties and pressed forward in unity; reform, opening up, and the modernization drive were launched in full swing; and socialist spiritual construction reaped rich fruits. During these five years, Anhui spent three years on improving its economic environment and rectifying the economic order in accordance with the unified arrangement of the central authorities, and accomplished the expected missions. With the concern of the CPC Central Committee and the State Council, and with support from all directions, Anhui overcame the catastrophic floods in 1991 and won a significant victory in flood-fighting and relief struggles. Over the past five years, Anhui's economy has ascended to a new level. Compared with 1987, Anhui's total output value of goods and services, total industrial and agricultural output value, and total consumer goods sales respectively rose 29.6 percent, 58.9 percent, and 66.5 percent in 1992; its total foreign trade volume grew by 76.5

percent, including a 58.9-percent increase in exports, and its revenue grew from 1987's 3.88 billion yuan to 5.51 billion yuan in 1992. The overall productive capability was increased greatly, with a big increase in the production of steel, electricity, fork lift trucks, televisions, refrigerators, washing machines, chemical fertilizers, and other manufactured goods. There were 205 industrial enterprises ranked as large and medium-sized enterprises, and a number of competitive enterprises, such as the Maanshan Iron and Steel Corporation, Yangzi, Meiling, Quancai, Gujing, and the Hefei Fork Lift Truck Works emerged, boosting the province's economic strength to a higher level. Transportation capability witnessed faster growth and a land, water, and air transportation network has taken shape. The material and technological foundation for the national economy grew even more solid, and society's accumulated 68.8 billion yuan of investments in fixed assets strengthened Anhui's economic strength and staying power for development. Scientific, educational, cultural, and public health undertakings also made greater progress, with over 1,604 provincial-level scientific and technological achievements accomplished, and accumulatively some 394,000 senior and junior specialized personnel transferred to various fields of society. From 1987 onwards, Anhui's urban per capita income grew at an average rate of 14.4 percent each year to 1,600 yuan in 1992; per capita net income of peasants grew at an average rate of 6 percent each year to 575 yuan, up 34 percent over 1987; and urban and rural per capita savings deposits grew by 25 percent to 442.6 yuan. The living conditions of people in urban and rural areas were further improved.

The accomplishment of these achievements should be attributed to the guidance of Comrade Deng Xiaoping's theory on building socialism with Chinese characteristics and the CPC's correct leadership. These achievements were fruits of the concerted efforts and struggles by people throughout the province. Here, on behalf of the provincial people's government, I would like to extend my highest respects to the broad masses of workers, peasants, intellectuals, cadres, commanders and fighters of the People's Liberation Army and armed police forces, and people from all circles of society; as well as my heartfelt thanks to people of all nationalities in the province for their support of the government's work!

II. On the Revision to the Last Three Years of the Eighth Five-Year Plan and the 10-Year Program

The outline of Anhui's Eighth Five-Year Plan and 10-Year Program were submitted to the Fifth Session of the Seventh Anhui Provincial People's Congress for discussion and passed. Over the past year, the objective situation has changed greatly. Weighing the overall domestic and international situation, the 14th CPC Congress set the new goal of establishing a socialist market economy and accelerating economic development after raising quality, optimizing the structure, and increasing returns. Last year, the Eighth Plenary (Enlarged) Session of the Fifth Anhui Provincial CPC Committee took provincial

conditions into consideration and called for unremittingly stepping up the development of and striving for the realization of the province's economic take-off. The enthusiasm for reform and opening up around the province ran high, a good development trend emerged, and a major environment for accelerating economic development was formed. According to the new situation and requirements for a fairly comfortable life, and after much calculation and comparison, the provincial government suggested that Anhui's Eighth Five-Year Plan and 10-Year Program be appropriately revised. The original principle of "maintaining a 7 percent and striving for an 8 percent" growth rate for the total annual output value of goods and services was readjusted to 10-12 percent and striving for more rapid development; by the end of this century the total annual output value of goods and services should reach 160-188 billion yuan, 6.5 times [fan liang fan ban 5064 0357 3972 0584] or more than that of the 1980 figure. Total agricultural output value should grow at an average annual rate of 3.5-4.2 percent; total industrial output value, 11.2-16.9 percent; tertiary industry, 17.2-20.9 percent; and revenue, 9.7-12.4 percent and reach 13.2-17 billion yuan. The natural population growth rate should be pinned under 13.67/1,000, and total population should not exceed 65 million. Urban residents and peasants will increase their income, attain a new level in quality of life, have a richer spiritual and cultural life, enjoy a basically perfect socialized service system, and live a fairly comfortable life.

Attaining the revised development objectives is a magnificent and arduous historical task. It requires thorough implementation of the guidelines of the 14th CPC Congress and the Eighth Plenary Session of the Fifth Anhui Provincial Party Committee; the emancipation of minds, a change in concept, self-reliance, and hard struggle; the establishment of a socialist market economy as soon as possible; an effort to raise agricultural quality; the take-off of village and town enterprises; industrial restructuring; an increase in the commodity and trade exchange volume; development of the export-oriented economy; and work in tertiary industry, basic industries, infrastructure, and scientific and technological education. We should vigorously promote economic development in six major areas, including the area along Chang Jiang, the area north of Huai He, central Anhui, south Anhui, east Anhui, Dabie Shan and the area along Huai He, and develop them into a rational layout in which these areas supplement one another with their own special traits. We should enhance Anhui's overall economic functions, and comprehensively strengthen and strive to boost the national economy to a new level in a few years.

We should speed up the construction of a highly efficient form of agriculture that provides greater and better yields, and fully invigorate rural economies. We should stabilize and increase the output volumes of grain, cotton, and edible oil, and actively develop agricultural products which are of high quality or which reap foreign exchange.

By the end of the "Eighth Five-Year Plan" and the "Ninth Five-Year Plan" periods, the total volume of grain produced should respectively be at the levels of 27.5 million tonnes and 31.5 million tonnes; areas sown to high-quality rice should be expanded from 360,000 hectares [ha] to 660,000 ha; and proportions contributed by forestry, animal husbandry, sideline production, and aquatic production should exceed 40 percent. It is essential to establish an operating mechanism which combines trade, industry, and agriculture into one; actively develop sectors involved in processing, preservation, transportation, and sales; repeatedly increase the value of agricultural products; let agriculture become more commercialized; and increase the peasants' income. We should utilize numerous channels to increase our investments in agriculture, strengthen the construction of infrastructure in the agricultural sector, and improve the overall productive capacity in agriculture. We should concentrate on implementing the strategic agricultural plan which focuses mainly on Huaibei, continue to focus on developing the Huang Hai and Huai Hai, and accelerate economic development in the area of Huaibei. We should actively promote the type of overall planning which combines agriculture, science, and education, and train personnel, promote technology, and provide technical services on a larger scale. We should vigorously launch tree-planting and afforestation campaigns and strive to complete the tasks listed in the "Fifth Eight-Year Plan" for afforestation and greening earlier than planned. It is essential to adopt all types of measures to accelerate the development of village and town enterprises, and strive to greatly increase village and town enterprises in three to five years' time.

We should greatly propel the process of industrialization. We should accelerate and promote better industrial growth by giving top priority to high value-added, high-quality, and highly efficient industries and products. It is essential to reorganize, rebuild, and construct a large number of large and medium-sized key enterprises, and accelerate the construction of state-level and modernized industrial bases for iron and steel, cement, petrochemicals, nonferrous metal, and energy, as well as agricultural and sideline products processing bases. It is essential to select a number of products which show vitality and market prospects, and subject them to major changes, so that an economic scale will be achieved as soon as possible. We should concentrate on the "fast-selling" products of the 1990's, utilize our superiority in natural resources, and concentrate our energies on developing a number of items which have competitive edges and have cornered a large market, such as cars, fork lift trucks, hydraulic excavator diggers, diesel engines, micromachines, car dashboards, packaging materials, magnetic materials, synthetic silk products, precision-machined tools, refrigerators, washing machines, home air conditioning units, cooking utensils, ornaments for interior decoration, hygiene and sanitation products, medicines, medical apparatus, and health-care products. At the same time, we should also accelerate technical transformation in such traditional industries as food, light

industry, and textiles. We should use such means as constructing, expanding, renovating, and importing when concentrating on a group of key projects, such as those concerning the expansion of the Maanshan Iron and Steel Mill, the Anqing Polypropylene and Acrylic Fiber Project, the synthetic detergent plant in Suxian, the cement project along Chang Jiang, the No. 2 Huaibei Electric Power Plant, the second stage of the Luo He Electric Power Plant project, the hub of railways in Fuyang, and the transformation of the automobile industry. We should strive to start the construction of Fuyang Airport and the Anhui-Hangzhou Highway, and to basically complete the construction of the (Tongling-Huangmei) Highway during the "Eighth Five-Year Plan" period. We should also make preparations to construct such projects as the Anhui Ethylene Project, Fuyang Electric Power Plant, the Chaohu Power Plant, and the Anqing Power Plant. We should strive to boost our steel production capacity to 6 million tonnes by 2000, our car manufacturing capacity to 100,000 cars, and cement production capacity to 20 million tonnes.

New and high technologies are the point of growth for the national economy. We should accelerate the industrialization process of a number of new and high technology achievements, and give priority to the development of such technologies—which can serve as the break we need for the development of new and high technology—as technology which combines machinery and electricity, electric and electronic technology, fiber optics communications technology, sensor technology, laser technology, continuous casting and steel-rolling technology, technology involving new materials, and computer and software technology to form new and high technology product series, and thereby improve our province's industrial structure and modernize it. We should strive to construct a Hefei new and high technology industrial development zone which has these characteristics and which can produce an impact in our country in three to five years' time.

We should develop an advanced form of an export-driven economy. We should actively develop diverse international markets; vigorously expand foreign trade; export key machinery, electronic, and finely processed products; and assist a large number of export-oriented village and town enterprises. Toward the end of the "Eighth Five-Year Plan," we should increase our total export volume to \$1.3 billion; we should achieve an average annual growth rate of 17.6 percent in the last three years of that period. Toward the end of the "Ninth Five-Year Plan," we should increase our total export volume to \$3 billion at an average annual rate of 18.2 percent. We should use more foreign capital and develop the "three types of wholly or partially foreign-owned enterprises" at a faster pace. We will utilize \$1.5 billion in foreign funds during the last three years of the "Eighth Five-Year Plan." By the year 2000, we will have amassed \$5 billion in foreign capital and put \$3 billion to direct use. We should raise the technological and managerial levels of burgeoning industries, businesses that produce high

value-added products, and key enterprises. We should also take full advantage of the preferential policies enacted for the two open cities of Hefei and Wuhu to import more technologies, skilled personnel, and advanced management expertise from abroad. We should import \$1 billion worth of technology during the "Eighth Five-Year Plan" and double that amount during the "Ninth Five-Year Plan." In developing an export-driven economy, we should give priority to areas along the Chang Jiang, Hefei city, and Huangshan city, in order to develop a huge export-oriented economic corridor along the section of the Chang Jiang that falls within Anhui, the new and high technology industrial complexes in Hefei, and international tourist business centered on Huang Shan. Moreover, we should seek state approval for opening up cities along the Chang Jiang and other major cities in our province, expand the construction of Anhui's production bases in the special economic zones and in the Pudong Development District, widen the channels leading to the outside world, and encourage more enterprises to directly compete on the international market.

We should develop the tertiary industry at a rapid pace. Over the next eight years, we should increase the output value of the tertiary industry at an average annual rate of 17.2 percent to 20.9 percent; this figure is higher than those for the primary and secondary industries. We should gradually establish a single market, a network of general socialized services in urban and rural areas, and a social security system. We should focus on six major sectors. The first is commodity distribution. We should redouble our efforts to develop markets, and establish wholesale and retail networks in order to institute an extensive, freely circulating, open, and highly effective distribution system for capital and consumer goods. Based on resource-intensive industries, we should establish national or regional wholesale markets for rolled steel, copper, cement, grain, and cotton. We should also create conditions for building futures markets; develop retail markets in key cities and towns in urban and rural areas; build some 100 shopping centers in cities and counties under the provincial government; and build large commercial buildings in open cities that combine shopping, exhibition, and recreational facilities. The second is the communications, transportation, postal, and telecommunications sector. We should initially establish an extensive transportation system and an information network that is suitable to economic construction, structurally rational, technologically advanced, and convenient. The third concerns the development of general socialized services in the countryside. We should focus on developing an agricultural management and service system that caters to the needs before, during, and after the farming season; on establishing a system in rural areas to provide socialized services for everyday needs; and on greatly developing businesses that provide technical and sales services for village and town enterprises as well as urban construction. The fourth is the banking and insurance sector. We should

actively develop local banking and nonbanking institutions, giving priority to state banks and establishing various types of financial institutions. We should establish foreign-funded banks and joint stock banks on an experimental basis, set up securities exchanges, and improve securities markets. We should energetically establish credit cooperatives and financial business groups in urban and rural areas, establish an insurance network that covers the major economic and social sectors, and develop a network of capital markets that encompasses the entire country. The fifth concerns the development of tourism based on Huang Shan and Jiuhua Shan, and the creation of a modern, world-class tourist zone. Toward the end of the "Eighth Five-Year Plan," we should try to attract 400,000 overseas tourists each year and earn more than \$50 million as part of our efforts to develop international tourism in Huang Shan. Toward the end of the "Ninth Five-Year Plan," we should be prepared to receive more than 1 million incoming tourists each year and take in approximately \$100 million in foreign exchange. The sixth concerns the vigorous development of real estate, and information and consultation services. We should develop real estate in an all-around way to fuel the development of relevant industries.

Our work to construct basic industries and infrastructure should be above average. We urgently need to attach importance to and strengthen the construction of basic industries and infrastructure, regardless of whether we aim to accelerate economic development or whether we want to enhance our ability to sustain development. We should actively proceed with our preparations for the construction of the Wuhu Chang Jiang Bridge, the Tongling-Jiujiang Railway, and the Anhui section of the (Nanjing-Xiangyang) Railway, and strive to start construction as soon as possible. By the end of this century, our transportation network should include high-grade highways, railroads, water lanes, and air routes which are connected to major state transportation routes. Automated communication networks should become the main structure in our posts and telecommunications system, urban areas at or above the county level should be equipped with digitized or program-controlled telephone systems and rural areas equipped with automated telephone systems, and a perfect system for delivering and handling mail should be set up by then. We should solve once and for all the problem concerning energy shortages and give priority to work to develop local coal industries. By the end of the "Eighth Five-Year Plan," we should generate 30 billion kilowatt hours [kwh] of electricity, and by the end of the "Ninth Five-Year Plan," 48 billion kwh. We should strive to provide 95 percent of our peasants with electricity by 1997, and attain the objective of basically providing electricity to the whole province. We should earnestly strengthen water conservation construction, finish constructing the new Huaihong He according to schedule, concentrate on making preparations for the Linhuaigang control project, start the construction of the Gangkouwan Dam during the "Eighth Five-Year Plan," and speed up work to

harness and develop Chaohu, so that we will be able to significantly improve our work to harness the Chang Jiang, the Huai He, Chaohu, and inland rivers. We should also concentrate our energies on constructing key projects that affect our province's long-term development, and perform our work with high standards and in a highly efficient way. After more than one year of work, we formulated a general plan to develop the Huoqiu Iron Mine. The mine, which will be developed by the Maanshan Iron and Steel Company itself, will be our key construction project when we implement the plan to change the company into a shareholding one. The development of the Huoqiu Iron Mine is of great importance to our efforts to invigorate the economy of west Anhui, our efforts to boost the production of Maanshan Iron and Steel Mill to "6 million tonnes in two sectors," and to the metallurgical industry of our province. We should develop the mine according to our plan and strive to start our work by the end of the "Eighth Five-Year Plan" and the beginning of the "Ninth Five-Year Plan."

We should conduct high-quality work to promote science, technology, and education. How much progress we make in science and technology and how skillful our labor force is at the end will be the factor that determines how much economic prosperity and social progress we make. We must give priority to efforts to promote education, science, and technology and increase our investments in relevant efforts. We should build and improve a mechanism that effectively combines science, technology, and education with economics. We should commercialize scientific and technological products and transform such products into actual productive forces at a faster rate. We should also focus on building a provincial science and technology hall during the "Eighth Five-Year Plan." By the end of this century, our province's overall strength in science and technology should be about average, or above average, in the country, and science and technology should account for 45 percent of growth in our agriculture and 50 percent of growth in our industrial sector. It is essential to coordinate efforts to develop all levels and all types of education, fully implement the party's principles on education, basically wipe out illiteracy among young people at the end of the century, and basically succeed in popularizing nine-year compulsory education.

III. Strive To Maintain Rapid Growth in the National Economy

We should develop the economy in 1993 according to the requirements of a socialist market economy: We should promote reform in an all-around manner; comprehensively open wider to the outside world; gear toward the market; regard science and technology as the primary forces; make special efforts to develop the "advantageous sectors"; strive to readjust and improve the economic structure; and diligently improve product quality and economic efficiency. While making more efforts to enhance the basic industries, including transportation, energy resources, and raw and semifinished materials industries, we should strive to develop the

processing industries. We should make great efforts to produce products that yield high value-added payments and benefits; transform resource advantages into economic advantages; and maintain rapid growth in Anhui's national economy. We have preliminarily arranged the following: The gross national product is to grow by 13 percent; the total agricultural output is to rise by 3.5 percent; the total industrial output is to increase by 20 percent, including a 15-percent increase in the industrial output produced at or above the township level; tertiary industries' output is to expand by 18 percent; the total retail sales of social commodities is to increase by 15 percent; and market prices will be basically stabilized.

1. We should strengthen agriculture as the foundation of the national economy and enhance our leadership over rural work.

After implementing reform in the past 14 years, Anhui's rural areas have undergone tremendous changes and have achieved results that are obvious to all; however, we should not overestimate the strength of agriculture and the rural economy. Instead, we should have a level-headed understanding of various existing problems in agriculture and rural work and pay sufficient attention to the new situation and new problems currently arising in rural areas. To accelerate the pace of reform, opening up, and economic progress, it is absolutely necessary to make active efforts to develop the secondary and tertiary industries. Nevertheless, we definitely cannot relax our efforts in agriculture because of the other two sectors, let alone diminish or erode the agricultural foundation. Agriculture is the foundation of the national economy; stability in rural areas is the foundation of stability for all of society; and the problem of peasants is always a basic problem of revolution, construction, and reform in our country. These important guiding thoughts cannot waver in the least under any circumstances; especially when the economy is developing rapidly, we should all the more remain level-headed. Anhui is a large province in terms of agricultural production; agricultural output amounts to a very large proportion in the overall provincial economic product; and more than 80 percent of Anhui's residents are peasants. These basic provincial conditions require us to pay close attention to agriculture and rural work and to consistently regard agriculture and rural work as a top priority in our work. Governments at various levels should earnestly strengthen their leadership over rural work; reverse the tendency that neglects agriculture; be firmly determined to strive to properly resolve acute problems that have been fervently brought up by the peasants; make great efforts to study and establish a new macroeconomic regulatory and controlling system and relevant operating mechanisms which protect the peasants' interests and their production enthusiasm, and which guarantee steady growth in agricultural production, particularly grain and cotton production; and strive to basically sustain continual progress and prosperity in the rural economy as well as maintain lasting harmony and peace in the overall rural areas.

Under the provincial party committee's arrangements and in accordance with the guidelines laid down by the six-province discussion meeting on rural work held by the central authorities in December 1992 and the television and telephone conference held by the State Council, the provincial government has previously made concerted efforts and has earnestly studied concrete methods for implementing the 10 measures proposed by the State Council on sustaining agricultural development. The provincial government is successively implementing the measures. Before the Spring Festival, the provincial government issued a circular on further improving work in lightening peasants' burdens and formed a leading group in charge of the work of lightening peasants' burdens. All 180 million yuan of "IOU's" issued to the peasants in 1992 have been cashed, according to instructions, before 15 January 1993. As of 20 January 1993, 86 percent of the total grain procurement under the state plan had been accomplished. Government departments at various levels should further coordinate among themselves; earnestly listen to the peasants' appeals; sincerely serve the peasants; strive to support agriculture; protect the peasants' interests; resolutely oppose any actions that are detrimental and harmful to agriculture; strive to increase funds and materials input in the agricultural sector; and conscientiously implement various rural policies.

We should stress two important points in our current tasks in agriculture and rural areas: First, we must resolutely stop various illegal fund-gatherings and levies to realistically lighten peasants' burdens. Prefectures (cities), counties, and townships (towns) should form their respective leading groups in charge of the work of lightening peasants' burdens; strengthen the unified leadership over the work of lightening peasants' burdens; and strictly enforce the State Council's regulation that stipulates that the value of peasants' burdens should not be over 5 percent of their per capita net income from the previous year. Documents surpassing the limit—regardless of their original issuing departments—shall be discarded. We should abolish all target-fulfilling competition in rural areas and concentrate our energy and financial resources on developing the economy. When undertaking various social endeavors, we should fully respect peasants' wishes; uphold the voluntary principle; prohibit coercion or compulsion; and ensure that we accomplish whatever tasks are within our means. We should explain to the peasants regarding expenses on peasants' contributions and various other funds, and accept supervision of the masses. Entrusted by the State Council, the Ministry of Agriculture has recently issued the "10 Prohibitions" on peasants' burdens. Our province will also shortly publish the "Measures and Stipulations Governing the Peasants' Share of Fees and Labor Services." We should earnestly implement these two documents. Under no circumstances should we argue back and forth, shift responsibility onto others, or needlessly delay without resolute actions on the pretext of certain specific complex problems. All departments directly under prefectures (cities), counties, and the

province should fully screen and examine documents concerning peasants' burdens. All practices that do not conform to the State Council's "Regulations Governing Fees and Labor Services Borne by Peasants" must be abolished without exception. Prefectures (cities), counties, and villages (townships) should not issue their own documents on increasing peasants' burdens from now on. When collecting approved fees and raising funds at the village level, relevant authorities must do so in accordance with the articles, procedures, and methods of the regulations. The local governments should also pay attention to improving work methods and styles. They should deal strictly and absolutely without leniency with people who violate laws and orders, in accordance with party disciplines, administrative disciplines, and state laws. Second, we should ensure sustained growth in grain production and strive to invigorate the circulation of grain. Agricultural production should be principally geared toward the market this year. All localities and departments must note and earnestly study and analyze market patterns. They should correctly lead the peasants in readjusting and planning for production according to market needs, while at the same time take measures to enlarge the area of grain cultivation. All departments should honor the state's preferential policies for supporting grain and cotton cultivation and pay peasants without retaining whatever money is due to them. To alleviate the peasants' difficulty in selling their produce, a system of special grain reserves at the provincial and county level will be established this year. The vital link in solving the grain problem is invigorating the circulation of grain. Grain departments should improve and expand their operations to meet the needs of new situations. Meanwhile, they should continue to play a leading role in encouraging collectives and individuals to sell their grain, to expand sales channels by ways and means, and to increase the proportion of commodity grains.

The fundamental way to solve the problems in agricultural production and rural areas lies in deepening rural reform continuously and resolutely, in stabilizing the household-based contract responsibility system with remuneration linked to output and the dual management system that combines household with collective operations, as well as in using the new ideology concerning the socialist market economy to expand production, upgrade the level of agricultural productivity, and enhance economic prowess. This year, we should continue to accelerate the development of high-quality, high-yield, and high-efficiency agriculture, as well as further readjust the internal agricultural structure. The emphasis of our work is to enlarge the cultivation areas of high-quality rice and high-efficiency cash crops; develop good breeds and special, excellent, and rare varieties of crops; accelerate the breeding of herbivorous animals and high-quality aquatic products; effectively implement the "Eighth Five-Year Plan" for afforestation and greening; and raise the proportions of forestry, animal husbandry, sideline production, and fishing in agricultural production. We should further accelerate construction and economic development in mountainous regions. We should

upgrade our policies and increase our investments in science and technology to combine crop cultivation, animal husbandry, and the processing industry; to combine agriculture, science, and education; to combine local and foreign trade, as well as to adopt a method combining trade, industry, and agriculture with production, supply, and marketing that will realistically and effectively promote the comprehensive development of agriculture. Relevant commerce, grain, supply and marketing, foreign trade, as well as industrial and communications departments, should develop follow-up production and circulation links such as processing, preservation, storage, shipping, and sales. We should undertake fine processing and serial processing for agricultural and sideline products to greatly increase their added value and turn the advantages of resources into economic gains.

We should effectively undertake and focus the construction of infrastructure projects in rural areas on water conservation works. Water conservation works are the foundation asset of our national economy; therefore, we should do a good job in undertaking the backbone projects of harnessing the Huai He, the flood-prevention projects along the Chang Jiang, such as the construction of the Mada and Wuwei dikes, as well as the projects for harnessing inland rivers and dikes of the Cao Hu and Chu He. We should complete high quality, and a great quantity, of construction and renovation projects for farmland water conservation works. We should raise our standards for antiflooding and irrigation undertakings. We should strengthen the development of farm machinery, meteorological work, and energy resources in rural areas. Reclamation farms should bring into full play their roles in promoting good crop breeds and in demonstrating agricultural technology.

We should accelerate the pace of helping poor areas in shaking off their poverty to achieve wealth. We should painstakingly plan and implement various projects to help the poor and promote a steady increase in peasants' incomes. We should implement policies that encourage poor regions to shake off their poverty. For counties that succeed in shaking off poverty through their hard work and struggle, the policies applicable to them will remain unchanged for five years, and the funds available to them will not be reduced.

Village and town enterprises are important components for building socialism with Chinese characteristics, and they represent the most active area of growth in our province's national economy. More importantly, they are our hope for achieving relatively comfortable living standards for rural areas. The rank-and-file and the leadership of the entire province should work concertedly to vigorously develop village and town enterprises without letup so that they continue to maintain high growth. We should strive to achieve a total output value of 80 billion yuan for village and town enterprises. Village and town enterprises should embark on the fine processing of agricultural and sideline products as an important direction for development. Meanwhile, they

should invigorate product circulation and accelerate the pace of developing export-oriented enterprises. We should continue to vigorously implement the "1235" project: development and new breakthroughs for 10 counties (cities, districts), 20 townships (towns), 30 administrative villages, and 50 village and town enterprises. We should work for faster and better development for village and town enterprises in city suburbs. Backward counties should do their utmost to catch up with those that lead. Based on existing conditions, these enterprises should uphold scientific and technological advancements; attach importance to training, import, and utilization of qualified personnel; improve their quality; enhance their market competitiveness; and strive to achieve unconventional and forward-reaching development. We should organically combine the development of village and town enterprises with the construction of small cities and towns so that cities and towns will become the economic and cultural centers of rural areas. In developing village and town enterprises and constructing small cities and towns, it is of the utmost importance to rationally plan and conserve farmland.

2. Readjust and Gear the Industrial Structure Toward the Market and Accelerate Development With Improved Efficiency.

This year, industrial production is faced with a new situation of increasing market selectiveness and tightening development conditions. All localities and departments should earnestly study this new situation and take measures to strengthen technological advancements, readjust product mix and industrial structure, strive to expand market sales, maintain high growth, target a product-sale rate at above 95 percent, and bring about simultaneous growth of economic efficiency and the growth rate.

Vigorous promotion of technological advancement is important for optimizing the industrial structure and crucial to enhancing the staying power of enterprise development. Because three more years remain for the state's preferential policies for encouraging technological transformations, we should further make full and effective use of the policies. We should raise various types of funds by ways and means and increase our investments. We should strive to complete technological transformation projects worth over 2.8 billion yuan in various localities in the whole year. Preferential policies from industrial high and new technology development zones may be applied to technological transformation projects of large and medium-sized enterprises that conform to recognized standards of high and new technology, irrespective of their location. We should support a group of our province's old enterprises that possess fairly good foundations and great potential. After selecting some projects for technological transformation and defining specific progress and goals, we should vigorously implement them. Currently, the most urgent task in promoting technological advancement is to accelerate the pace of importing technology, which is a shortcut to catching up

with advanced technology. We must insist on starting from a high plain and strive to advance to the front.

Enterprises should be market-oriented and make efforts to readjust their product mix. They must set their minds on gearing their operations toward the market economy, firmly follow the market's guidance, and make themselves more competitive and more capable of coping with contingencies by developing all grades of goods, precision goods, quality products, and products in short supply. Every effort should be made to develop some 2,000 types of new products, including about 50 which should be up to world standards and 250 which should be up to high domestic standards, and efforts should be made to put at least 70 percent of the newly developed products into production. The government will adopt specific policies meant for supporting specific products, producers, and trades to accelerate the development of popular goods and goods having a big influence in the country so that they can quickly expand their market shares. Our enterprises should also encourage the development of high technology products and make efforts to achieve some breakthroughs in this regard this year.

Enterprises must become more quality conscious and make sure that the quality of their products are strictly controlled throughout the production process. This year, all relevant departments in Anhui will try out the new standards set for the quality of industrial products. Spot-checking of goods in the market will be intensified, and experimental emporiums using code bars will be established. Assistance will be given to export-oriented enterprises and large and medium-size mainstay enterprises. To improve the quality of goods, efforts must be made to accelerate the pace of producing goods that meet international standards. Efforts should be made to conserve energy and material resources, speed up the replacement of outmoded and energy inefficient equipment, promote energy-efficient technology, and reduce energy consumption by 4.1 percent for the production of every 10,000 yuan of goods. To ensure production safety and reduce accidents, all precautionary measures should be taken to eliminate hazards that have the potential to cause major accidents.

One major task of this year's industrial production is to expand sales, reduce stockpiles of unsold goods, and eliminate losses. In accordance with the market situation, departments overseeing economic operations should come up with guiding lists of goods that are in high, ordinary, or low demand. They should have a thorough understanding of the situation concerning production, marketing, and inventories of the main products produced by large and medium-size enterprises; issue in a timely manner accurate market information; sum up and propagate experiences gained from promoting sales; and organize producers to promote sales together. Stronger contingents of sellers should be formed, and marketing policies should be relaxed and carried out so that sales will increase and stockpiles of unsold goods will be reduced. Trades and enterprises that have large stockpiles of unsold goods must firmly

curtail production and promote sales. They must set a time limit for reducing their inventories to a manageable level.

To maintain the momentum of economic growth, more investment must be made to build a stronger infrastructure and set up mainstay industries. The province will invest at least 24 billion yuan in fixed assets. While building a stronger infrastructure of communications, energy supply, and irrigation facilities, more money will be invested in producing high technology machinery and electronics goods and setting up high technology industries whose products have large market shares and high added value. We expect that, as result of major capital construction projects and technological reconstruction, Anhui's industrial structure will become more rational and that the influential and profitable major projects can accelerate Anhui's economic development.

The ecology must be maintained while promoting economic development. For protecting the environment, goals should be set, and responsibilities should be delegated. A time limit should be set for 32 major pollution-causing enterprises around the Chao Hu and along the Huai He to control their pollutants. Pollution control along the Yin and Guo River basins must be intensified. Measures should be taken to stop outmoded and pollution-causing enterprises from moving into Anhui. Great efforts should be made to develop ecologically sound agricultural undertakings. While controlling environmental pollution, attention should be paid to controlling pollution from the source. Efforts should be made to develop green industries [lu she chan ye 4845 5331 3934 2814] and produce green products [lu se biao zhi chan pin 4845 5331 2871 1807 3934 0756].

3. Continue To Enliven Commodity Distribution and Make Great Efforts To Develop Tertiary Industries.

This year, the urban and rural markets will continue to thrive, commodity distribution will be more lively, and total commodity sales will continue to increase. We must continue to decontrol and enliven commodity distribution and speed up building a large market in which commodity distribution will be active. State-operated commercial cooperatives and enterprises in charge of supplies must broaden the scope of business and play a leading role in promoting commodity distribution in the market. Business departments and enterprises must join hands to promote sales of Anhui-made industrial goods. Distribution departments should operate flexibly and do a good job in purchasing and marketing agricultural and sideline products. Government authorities must exert stronger efforts in regulating and controlling major materials having a close bearing on the national economy and people's livelihoods. To stabilize the prices of vegetables and other nonstaple foods, they must continue to pay attention to the "Food Basket Project." The control over all kinds of levies must be intensified. Unwarranted levies must be firmly stopped. Efforts must be made so that prices of consumer goods throughout Anhui are brought within the prescribed scope.

Market construction is essential for enlivening commodity distribution. Resources should be pooled in the next three years, beginning this year, to establish all kinds of urban and rural markets. Special attention should be directed to establishing about 10 multifunctional wholesale markets which trade relatively high-grade production materials, industrial goods for daily use, and agricultural and sideline products. Cities under the provincial government's direct jurisdiction should give priority to building and rebuilding several large emporiums, each of which should have at least 10,000 square meters of floor space and annual sales of 100 million yuan. Additional stores selling specialized goods will also be built so that some commercial centers and networks can be formed. Under the principle that investors are also the beneficiaries and owners, we should extensively mobilize people in all social quarters to invest in market construction through various channels and in various ways.

To bring about high-speed development of tertiary industries, authorities at all levels must draw up even more flexible policies. We must arouse the enthusiasm of all quarters, count on society's resources, and encourage more people to invest their material and financial resources in the development of tertiary industries. We should give a free hand to state and collective units, independent operators, private businesses, and even foreign and domestic investors to demonstrate their resourcefulness in this regard. Meanwhile, we should establish vital mechanisms to promote the development of tertiary industries.

4. Improve the Financial Situation Through Increasing Revenue and Conserving Expenditures, and Manage and Use Credit Funds Flexibly in Various Ways.

The failure in balancing receipts and payments and growing deficits are outstanding problems confronting Anhui today. We should improve our financial situation and increase income through promoting economic development, exploring more financial resources, and exercising care in managing money and taxes.

Based on measures related to the market economy, we can broaden the avenues of our financial resources in many ways. First, to ensure financial resources, all financial and tax departments must pool their resources to speed up the development of profitable enterprises so that there will be more major profit contributors and taxpayers. Meanwhile, they should work in close coordination with relevant departments to stop the deficit growth. For enterprises that operate unprofitably, a time limit should be set for them to eliminate losses; and for those longstanding unprofitable enterprises that are unlikely to stop losses, they must be firmly closed, or their operations must be suspended, or they should be merged with other enterprises, or they should have their operations switched to producing other products. Second, we should encourage all authorities to augment

their fiscal strength through increasing revenue. To support the economic development of counties, the provincial treasury last year signed contracts with 16 counties and cities, setting some fiscal objectives for them to achieve. The results have been very satisfactory. The provincial treasury will support some more counties this year. It is expected that each year the revenue of three to five counties will reach or exceed 50 million yuan. Third, governments at all levels should consider income from land transfers, land leases, and real estate development as their major financial resources. Fourth, all taxation affairs must be handled according to the law. While intensifying supervision over major tax payers, the collection of taxes from private and independent operators and regulatory taxes from individuals must be intensified. To guard against any loss of revenue, all collectable taxes must be collected in full in a timely manner. Approval of tax reductions or exemptions must be tightened. The authority to reduce or exempt tax payments may not be exceeded. Fifth, financial and economic discipline must be enforced, and control of non-budgetary funds must be strengthened. To tighten control over expenditure and lessen financial burdens, all local authorities and departments must practice economy, operate within their means, correct their spending style, curtail all types of financial subsidies and budgets for holding meetings, and strictly control the size of working staff of all organizations as well as institutional purchases.

This year, the state will continue to uphold the credit policy of "controlling total supply and demand, restructuring the framework, improving management, using available funds flexibly, and achieving higher efficiency," and the supply of credit funds is tight in relation to the needs of economic development. We must improve financial regulation and control in order to achieve higher efficiency. We should gradually improve the system of controlling the proportion of assets and liabilities, and broaden loan services to achieve higher efficiency in capital use. We should reform the measures for controlling foreign exchange, and the system under which a percentage of spot exchange can be retained will be instituted on the basis of summing up the gains in pilot projects. Prefectures and cities in which branches of the Communications Bank have yet to be set up must intensify their preparations for its establishment. While extending credit funds, priority should be given to funds needed for major capital construction projects; scientific and technological development projects; upgrading the technology of large and medium-size enterprises; production of agricultural and industrial goods in high demand; procurement of agricultural and sideline products; and products needed for export. To make sure that additional loans are used wisely and flexibly, attention should be paid to where they are used. Active support should be given to enterprises to reduce their inventories, speeding up capital turnover, and promoting the flexible use of available funds. To support economic development, energetic efforts should be made to promote insurance services. Active efforts should be made

to issue more bonds and debentures so that more funds will be available for enterprises through various channels.

5. Do a Better Job in Serving Economic Construction Through Giving Scope to the Intellectual Strengths of Scientific and Technological Education.

One major strategy Anhui has chosen to rejuvenate its economic development is to count on scientific and technological advancement. We will continue to restructure the management of science and technology, and achieve a breakthrough in speeding up the process of commercializing science and technology, and turning them into actual productive forces. We should actively guide and encourage research institutes and schools of higher education to let some of their scientists and technicians work in enterprises in various ways or set up their own science and technology services. We will restructure the current system of managing research projects by introducing competitive mechanisms into the system, openly recruiting the needed personnel, and openly inviting people to bid for projects solving major technical problems. Research units should also introduce competitive mechanisms and incentives into their operations, and they should categorize remunerations on the basis of contributions. Active efforts should be made to mobilize scientists and technicians to take part in economic construction in one way or another, and to encourage some scientists and technicians to become affluent first through marketing their expertise. We should speed up the cultivation of technology markets, speed up building the Hefei Plaza of High Technology, and prepare the construction of the provincial technology exhibition center. We will take gradual steps to inaugurate information and consultative services relevant to science and technology, and encourage the establishment of all kinds of technological agencies and scientific and technological services. We will intensify the dissemination of scientific and technological achievements, continue to nurture technology-oriented enterprises, and intensify establishing and implementing the "production-education-research" engineering project. We should expand the "Torch Program" and speed up the development of new and high technology industries.

We must earnestly implement the various preferential policies designed to encourage the development of science and technology. We must delegate decisionmaking power to research units and to science and technology enterprises without exception. We must gradually increase investment in science and technology; all specialized banks should set up science and technology loans and increase funding each year. We must encourage the development of banking institutions and investment companies catering to the needs of science and technology. We must gradually start an insurance business for science and technology development projects on a trial basis. We must attract foreign capital to set up science and technology undertakings. We must

enthusiastically support nongovernment research institutions and encourage the development of science and technology businesses run by the local people.

Personnel is the most important factor in reform, opening up, and economic development. We must reform, in accordance with unified state arrangements, our personnel management structure and scientific and technological personnel assignment system; protect intellectual property rights; safeguard the legitimate income of scientific and technological personnel; award those who have made outstanding contributions; and allow large numbers of fine middle-aged and young intellectuals to take up key technological and managerial positions.

Accelerating economic construction urgently demands accelerating educational reform and development. We will not be able to meet the needs of economic development and satisfy the people's craving for education by relying on the government alone to run education; we must broaden our thinking on ways to develop education. We must further relax our policy on operating schools, encourage the development of educational undertakings outside the formal education system, and simplify the procedures in approving the establishment of primary and middle schools and secondary vocational schools by local people. We must support large and medium-sized enterprises to join forces with various social circles and institutions of higher learning to set up and run schools. We must gradually develop a new setup in which schools can be established and operated through different avenues and at different levels.

We must accelerate the pace of adjusting the education structure. We must not stick to one pattern in developing different types of secondary vocational education. We must try to increase the enrollment at secondary vocational schools to 250,000 and to achieve a 10 percent increase in their enrollment each year. We must change irrational conditions in the establishment of disciplines and departments in institutions of higher learning and secondary specialized schools, and transform a selected number of schools into technology, economics, trade, and tourism schools to train qualified engineering, technology, and management personnel. We must run key universities in a well-planned way to gradually make them centers for personnel training, scientific research, and technological development. We must delegate more decisionmaking power to schools and allow institutions of higher learning and secondary specialized schools to enroll a certain number of paying students and students who are sent by other units for training. We must also allow these institutions and schools to set up new or provisional disciplines. We must step up experimentation giving both the students and the hiring units discretion in job assignment. We must allow institutions of higher learning to have a greater say in drawing up job assignment plans.

We must guard against the tendency of putting undue emphasis on making money at the expense of education.

We must put an end to the increase in some areas of the number of school-age children dropping out of schools. We must strengthen leadership over the drive to implement the nine-year compulsory education and to wipe out illiteracy, and we must ensure the achievement of the set targets. We must work hard to attain the goal of adding about 10 more counties (cities, districts) to the list of counties where the nine-year compulsory education is basically realized. We must continue to renovate unsafe school buildings, and improve the physical conditions of primary and middle schools. We must strengthen the building of faculties and raise their standards. We must ensure the accomplishment of the task of helping 400,000 young people to become literate. We must pay attention to developing cadre schools and other types of adult schools, and make constant efforts to improve adult education qualities and results. We must help institutions of higher learning and primary and middle schools run industries and enterprises to increase accumulation and their capability for faster growth.

6. Strictly Control Population Growth, and Further Develop Culture, Public Health, and Sports.

Because our province has a large population with a younger age structure, we will remain in the third child-bearing peak period in the next few years. This makes it quite difficult to control population growth. We must never relax our family planning work; instead, we must make relentless efforts and strengthen measures to make new progress in family planning. Principal leaders of the government at different levels should personally attend to this work and strictly implement a system under which they are held responsible for the attainment of certain objectives during their tenure. We must resolutely implement the "veto" system in family planning, act in strict accordance with family planning laws and regulations, put special emphasis on strengthening planned and legal control of the rural and floating population, strengthen family planning work in the countryside, and comprehensively implement birth control measures. We must strive to lower the birth rate by another 0.1 or 0.2 percentage points from last year.

Cultural undertakings must serve the needs of economic and social development. We must encourage the creation of healthy works, particularly spiritual products loved by the people which eulogize reform, opening up, and modernization. We must continue our efforts to promote Huangmei opera, Anhui opera, the flower-drum dance, and art with distinct Anhui characteristics, and we must liven up different forms of mass culture. We must strengthen protection of cultural relics and use the archives in an efficient way. We must take further steps to improve our capacity to produce better radio and television programs, increase their coverage area, and build and open up the province's business radio station this year. We must allow specialized publishing houses to have a freer hand to choose subject matter and encourage the publication of books catering to readers outside Anhui.

We must strive to raise the people's health standards and constitutions. We must pay attention to improving medical ethics, and strengthen control of pharmaceutical products and supervision of public health facilities. We must strengthen the prevention and treatment of snake fever, filariasis, and contagious diseases. We must implement different types of collective and cooperative medical systems, focusing primarily on the elementary rural health system. We must take steps to gradually improve preventative medicine and medical compensation systems. We must improve the quality of drinking water in the countryside through the improvement of water and lavatory facilities. We must actively explore ways to reform medical and public health units, and set up more specialized medical and public health services. We must deepen the urban and rural patriotic health movement, and strive to add one or two cities to the ranks of "national sanitary cities." We must vigorously launch mass sports activities, raise competitive standards, prepare for the seventh national games well, and strive to achieve good results in the competition. We must encourage social groups, enterprises, and the general public to run sports undertakings and enable sports to develop in the direction of becoming an industry.

IV. Accelerating Economic Reform by Centering on the Establishment of a Market Economy

The establishment of a socialist market economy is another revolution in our society, launched after the establishment of a basic economic system. The revolution touches every aspect of the superstructure and economic foundation, and puts new demands on the government, enterprises, and individuals. Actively plunging ourselves into this revolution and accelerating the transition of our economic structure is a glorious mission bestowed on us by history. In building a market economy, the question of emancipating the mind runs through the entire course. Practice has shown that to a large extent, reform and development hinges on the degree of our minds' emancipation. The more emancipated our minds are, the deeper our reform, wider our opening up, and faster our economic development will be. As an inland province located near the coast, Anhui has experienced strong influence from the planned economy in the people's thinking, outlook, behavior, and lifestyle. We must take further steps to emancipate the minds, change our way of thinking, completely free ourselves from the shackles of the planned economy and traditional views, and unite the whole province with the guidelines of the 14th national party congress. In reform, we must be on the alert for rightist tendencies, but we must mainly guard against "leftist" tendencies. We must firmly free ourselves from arguing which is "socialist" and which is "capitalist," and boldly absorb and borrow all kinds of advanced management styles and approaches. We must overcome the outmoded notion of seeking stability and fearing disorder [qiu wen pa luan 3061 4489 1830 0052], use a dialectical perspective to view the various problems appearing in the transition from the old to the new structure, and use a market

economic approach to deal with problems properly; we must not return to the old path of the planned economy. We must cultivate a strong sense of participation characterized by the phrase "begin with me and now," [cong wo zuo qi, cong xian zai zuo qi 1783 2053 0254 6386, 1783 3807 0961 0254 6386] conscientiously plunge into the great tide of reform, and make relentless efforts to create a new situation of reform and construction. At present, we must firmly grasp the following four key links to actively push forward our province's economic reform to achieve unprecedented progress.

1. Accelerate the Transformation of Enterprises' Operating Mechanisms To Expedite Their Participation in Market Competition.

The crux of transforming enterprises' operating mechanisms is to expedite their participation in market competition by making them truly become commodity manufacturers and managers that run their business independently; assume full responsibility for their own profits and losses; exercise self-regulation; and strive for development on their own according to the law. Judging from the situation of pilot projects selected to conduct the transformation on a trial basis, we found that it is hard to produce the anticipated results by taking one-sided measures. It is necessary for us to strengthen leadership, conduct overall coordination, take comprehensive measures and carry them out at the same time, and to implement a package of reform.

It is necessary for us to carry out the "Regulations on Transforming the Operating Mechanisms of Industrial Enterprises Owned by the Whole People" as well as the "Measures for Implementation of Transforming the Operating Mechanisms of Commercial Enterprises Owned by the Whole People" in an all-around way, and to further see to it that enterprises receive the power to conduct business operations independently. The main point remains returning further economic decision-making power to enterprises and letting them exercise all the power necessary for independent business operations stipulated in the "Regulations." The scope of business operations by enterprises must be expanded; government control over all sectors other than special, important industries which affect the national economy and the people's livelihood, social stability, and the ecological environment, will be relaxed to let enterprises conduct business operations independently; one sector of industry will be permitted to play the dominant role and diversify its operations; and enterprises will be permitted to conduct business operations, including both domestic sales and foreign trade, in different trades and professions, under different ownerships, and in different regions. Efforts to screen the existing system of approving operating licenses to trades and professions, and approving licenses for special applications must be stepped up. In principle, except for those provided by the law and regulations, approval for such licenses will be abolished. Restrictions on the forms of management and operation of assets will be further relaxed. Forms of management and operation of assets such as general

contracts for input and output; contracts for reducing and making up deficits; the shareholding system; and enterprises established on the model of Chinese-foreign joint ventures, cooperative enterprises, and enterprises solely owned by foreign businessmen may be implemented on a trial basis as long as they suit the enterprises' conditions. In the early stage, some prefectures and cities may implement the comprehensive, pilot trial reform of "having no responsible department" in some enterprises which have better conditions than others. Relevant provincial departments must vigorously support them when they implement such trial reforms and, meanwhile, must sum up successful experiences in order to popularize them. As Anhui Province will promulgate the measures for implementation of the "Regulations" soon, all areas and departments concerned must pay close attention to formulating and improving relevant laws and regulations. Specific decrees must be issued in the first half of this year to abolish or revise relevant documents issued in the past which are found incompatible with the stipulations of the "Regulations."

It is necessary to accelerate the reform of enterprises' internal management system. Reform of the personnel labor contract system, the cadres' appointment system, and the wages and awards floating system will be implemented in an all-around way. Efforts must be made to strive for basic establishment of an incentive and restrictive mechanism that facilitates the employment and discharge of staff and workers, promotion and demotion of cadres, and regulation of the amount of income within two years. It is necessary for us to adhere to the system of enterprises' internal leadership and improve it; further give full play to the role of party organizations as the political nucleus; persist in the system of full responsibility for factory directors and improve it; rely on the working class wholeheartedly; and bring into full play the initiative and innovation of the vast numbers of staff members and workers. Close attention must be paid to training a contingent of Chinese entrepreneurs and establishing a mechanism for the formation of entrepreneurs under the conditions of a socialist market economy, as well as a competition mechanism through survey and study.

It is necessary to deepen reform of the property rights system and vigorously promote implementation of a shareholding system at selective points on a trial basis. As rationalizing property rights relations is a profound requirement for establishing a new mechanism for enterprises, we must explore the forms of organization for enterprises which have Chinese characteristics; and clearly define property right relations while persisting in the system of contracted responsibility for business operation and endeavoring to improve it. Vigorous efforts must be made to promote the development of companies with limited liability as well as limited companies whose shares are held by legal persons. The system of allowing staff members and workers to hold shares in enterprises they work for must be standardized and developed. Some large and medium-sized enterprises will be

selected to issue shares to the public and have shares traded on the stock market on a trial basis. Vigorous efforts must be made to promote the development of enterprises operating under the shareholding cooperative system in both urban and rural areas. Enterprises that were established and are operating under the shareholding system must be gradually improved. As a state-level enterprise selected for implementation of the shareholding system on a trial basis, the Maanshan Iron and Steel Complex must pay close attention to various preparations for the issuance of A shares as soon as possible; the Anhui Provincial Electric Power Development Corporation and the (Meiling) Company Limited must create conditions for their shares to be issued to the public; and, meanwhile, vigorous support must be given to the Anqing Petrochemical Plant to facilitate its trial implementation of the shareholding system. All areas are also required to select a number of state-owned enterprises for restructuring on a trial basis. Meanwhile, it is necessary for us to further develop enterprise conglomerates; vigorously promote mergers between enterprises; sum up experiences in conducting the auctioning of state-owned enterprises and leasing them to entrepreneurs, and in declaring poorly run enterprises bankrupt; and continue to work successfully in carrying out these tasks.

In the final analysis, the reform and development of enterprises should depend on their own efforts. A number of outstanding enterprises have developed through increasingly intense market competition in our province. They have scored successes mainly because they have gone all out in their work, relied on their own efforts, and taken the initiative in meeting objective requirements of the market economy. All enterprises in the province, industrial or commercial, state or collective, must develop themselves and become strong by battling with the winds and waves in the ocean of market competition.

2. Step Up the Development of a Market System and Accelerate Price Reform.

An important prerequisite for accelerating the development of markets is to decontrol them and let producers and managers enter the field of circulation without restraint. In decontrolling markets, we should first give priority to decontrolling the market for major agricultural products. Beginning this year, the grain and edible oil market have been decontrolled in an all-around way, and enterprises and individuals are now allowed to wholesale, purchase and sell, or store and transport grain and edible oil. Two or three counties will be selected to experiment on free marketing of cotton and silkworm cocoons. All other agricultural products, except those subject to state regulations, will be decontrolled. Second, we should further decontrol the market for capital goods. Chemical fertilizers and plastic sheeting should be managed and supplied according to State Council regulations. Coal, steel products, cement, finished oil products, and coal for civilian use should all be decontrolled. Third, we should reduce the scope in which tertiary

industry is monopolized. Except for the first-grade state-monopolized land market, the other aspects of the real estate market should be decontrolled in an all-around way. Competitive mechanisms should be introduced into the construction and transportation markets and urban public utilities, and conditions should be created for them to be gradually decontrolled.

While decontrolling markets, we should promptly formulate appropriate market rules, laws, and regulations in order to create a market environment for equal competition. We should rescind all exclusive and discriminative regulations and policies, and eliminate all barriers impeding the circulation of commodities. Checkpoints set up by various local authorities and departments along highways and rivers should, in principle, be abolished this year. Managerial methods that are unsuited to the market economy should be changed. Collection of taxes or levies on agricultural products should be changed step by step, from collection from many sources to collection from their original sellers. It is necessary to strictly enforce laws, to crack down on those who produce or sell fake or shoddy products, and to formulate complete regulations governing trade and market management in order to standardize and institutionalize the operation of the market.

Efforts should be made to speed up price reform and straighten out price relations. On the basis of last year's price reform, we should further decontrol the prices of grain, edible oil, and some medicinal materials according to unified state arrangements. We should adjust prices for basic products. After decontrolling grain prices, grain departments should sign procurement contracts with grain-producing areas and peasants according to the needs of the state and localities; they should clearly define their methods for grain purchases and sales, grain prices, and responsibilities of both parties to the contracts. Promised state-supplied chemical fertilizers and diesel oil may be sold to peasants at market prices, but the difference between state and market prices for such chemical fertilizers and diesel oil should be used to subsidize peasants in connection with contracted grain prices in order to benefit them. Other means of production allocated by the state according to its mandatory plan should be sold at market prices, except those especially earmarked for key construction projects, flood control, disaster relief, or aid to the poor; and the difference between state and market prices should be used to develop materials or used as a price-regulating fund.

3. Deepen the Reform of the Social Security System and Speed Up the Building of a Social Service Network.

With the change of the economic structure, it is increasingly urgent for us to improve the social security system and the social service network. Under the planned economic system, various social functions were exercised by government organizations, enterprises, and institutions; thus, such government organizations, enterprises, and institutions became unwieldy and overstaffed, resulting

in a waste of social resources. If this situation is not changed, organizational and enterprise reform cannot be deepened. The resolution of this problem is for society to run social undertakings and to provide social service as an industry. Society should exercise social functions by developing the social security system and the social service industry.

We must improve the social security system. Close attention must be paid to establishing a social security system legislated by the state in a unified way; the implementation of which is enforced by the government; and which promotes mutual help and implements socialized management. It is necessary to further improve retirement insurance and workers pensions; to expand insurance coverage; to make vigorous efforts to solve unemployment; to expand insurance coverage for the unemployed; to increase the proportion of socialized management with the participation of the unemployed; and to actively introduce comprehensive community services with the labor service market as the main content to create job opportunities for the unemployed. We must show concern for retired veteran cadres, solve their realistic problems, enable them to do something, make some contributions, and spend the remaining years of their lives in happiness.

Reform of the housing system and the free medical care system must be implemented in an all-around way in both urban and rural areas. All prefectures, cities, and counties are required to pay close attention to formulating supportive policies and implementation measures related to reform of the housing system and to carry them out in good time in order to ensure that the reform is carried out in an all-around way this year. The funds for reform of the housing system must be raised, managed, and used in a centralized way to facilitate achievement of a beneficial cycle of input and output. Areas and institutions that have not yet implemented the free medical care system are required to implement it in accordance with the principle of having the state, institutions, and individuals jointly share the burden within this year.

We must improve the functions of social services. Close attention must be paid to promoting socialized services by organizations and increasing the ratio of the utilization of the existing facilities. It is necessary for us to use the method of industrialization to promote development of various intermediary organizations and organizations offering social services indispensable under the conditions of a market economy. We must develop and improve various public utilities and public welfare undertakings to create conditions for organizations, enterprises, and institutions to provide social services; vigorously promote the development of accountant offices, auditing offices, job opportunity agencies, law offices, and organizations offering such social services as notarization, assessment of assets, and information and consultation; and, furthermore, conduct surveys and establish various civilian intermediary organizations, such as chambers of commerce, trade association, and so

forth to expedite the development of the management of trades and professions along a course oriented to providing social services.

4. Transform Government Functions To Promote Reform of the Organizational Structure.

The fundamental way to transform the functions of government is to separate the government's functions from those of enterprises. Governments, together with their functioning departments at all levels, must resolutely withdraw themselves from the microeconomic activities of production and management of enterprises, and assume the work of macroeconomic regulation, coordination, service, and supervision in a better way in accordance with the requirements of establishing a socialist market economy. Organs directly under the provincial people's government have already begun the work of defining and separating the functions of government departments in an all-around way. The work must be completed in the first half of this year. After ascertaining the department's functions, we should intensify organizational fine-tuning and personnel reassignment in accordance with the principles of "streamlining, unification, and efficiency"; streamline, abolish, or merge some organizations with overlapping or similar functions; sharply reduce nonstanding organizations; place existing administrative functions of certain administrative companies under relevant functional departments; and actively create conditions for the systematic parting of professional technical departments from the chain of government departments by turning them into various service organizations or economic entities. To facilitate a smooth transfer, temporary arrangements may be made to have "two names for a single organization." We should continue to widen the channel for reassigning redundant personnel by singling out a core of young, energetic cadres to strengthen grass-roots leadership. Economic regulatory and supervisory departments requiring more manpower should open their doors to redundant personnel. Efforts should be made to formulate more relaxed policies to attract redundant personnel from organizations to set up economic entities, develop the tertiary industry, and plunge themselves into the major economic front. As the 14th national party congress decided to basically complete organizational reform within three years, we should accordingly carry out an all-around fact-finding exercise this year, including the analysis and study of the organizational structure and functions, to provide decisionmaking guidance for organizational reform. We should broaden the experimental bases for organizational reform at the county level, with counties currently undergoing experiments to advance themselves to the level of actual functioning. Various systems directly under the provincial government, prefectures, and cities should in principle designate a department, or a county (city) as an experimental base for organizational reform. The focus

of management system reform in government institutions falls on the solution of the problem of nonseparation of government and institutions and the gradual establishment of a management system that suits the institutions' characteristics.

The reform of the personnel system should be organically coordinated with that of organizational reform to be implemented as a package. Organs, enterprises, and institutions alike should actively and steadily establish a

The reform of the personnel system should be organically coordinated with that of organizational reform, to be implemented as a package. Organs, enterprises, and institutions alike should actively and steadily establish a personnel management system compatible with the new economic system. Government organizations should gear up for implementation of a state public service system and do a good job in experimenting with the appointment system for personnel at the county level and above.

V. All-Around Opening Wider to the Outside World

As proposed by the 14th national party congress, the development and opening up of Shanghai's Pudong area in the 1990's should serve as the dragon head in further opening up cities along the Chang Jiang; they may in turn lead the Chang Jiang Delta as well as the entire Chang Jiang region in a new economic leap. The expected restoration of China's contracting membership status of the General Agreement on Tariffs and Trade this year will provide our province with a new opportunity to join international economic circles in a more direct way. To make sure that we do not miss this opportunity, we should open wider to the outside world with a faster pace; and accelerate the formation of a new, all-around, multilevel, and multichannel opening up with the development of an economic belt along the Chang Jiang headed by Wuhu, and the development and opening up of Hefei and Huangshan.

1. Attract Foreign Investment Through Greater Vigor and More Initiative.

At the moment, the conditions for attracting foreign investment in Anhui are extremely favorable. On the one hand, the political situation in China is stable, the economy is growing rapidly, and the investment climate has become increasingly better, boosting the confidence of foreign investors. One after another, foreign investors have been shifting to inland areas which are rich in resources, and where land and labor costs are comparatively cheaper. We must seize the opportunity, work hard to fulfill the preferential policies for enticing foreign capital, and vigorously improve the investment environment to attract more foreign investors to our province. We must strive to approve 3,000 new foreign enterprises, and attract \$450 million in foreign capital.

We should broaden the realm for foreign investors. Except for those prohibited by state order, joint ventures and cooperation with foreign investors in all industries

are permissible: in primary, secondary, and tertiary industries, and in large, medium, and small enterprises. The employment of foreign capital must be linked with technical transformation in existing enterprises to speed up the process of upgrading and renovating their products, and to earn foreign exchange through export. Anhui should fully capitalize on its advantage of having many fellow provincial compatriots in Taiwan, and open up all channels to attract more Taiwan investment. We should encourage foreign investors to develop land in lots.

We should further improve the intangible environment for foreign investors. Last year the province delegated some of its power to authorize foreign investment, and the results were good. As a new wave of foreign investment arrives, the authorization power should be further delegated. All prefectures and cities will enjoy the province-level power of authorization, and all departments under provincial jurisdiction may approve projects worth \$5 million. As for solely foreign-owned enterprises and Sino-foreign joint ventures with an investment totaling over \$500,000, their authorization will be changed to registration. With the increasing number of foreign enterprises, the establishment of a convenient, simple, and efficient service structure has become necessary. All localities and relevant departments under provincial jurisdiction may set up a system for policy consultation and legal and financial services, as well as commercial offices, to provide foreign investors with a whole range of services. We should manage existing foreign enterprises well. We must keep a tight grasp on those that have been approved so that they will soon be operational and profitable. The Sino-American technical cooperation project—the high-risk exploration of Fuyang oilfield—must be grasped tightly. Ports and customs offices must make new contributions toward opening wider to the outside world.

2. Set Up Multiple Channels for Exports in the Bid To Earn More Foreign Exchange Through More Exports.

Foreign trade and exports are the foundation of opening up to the outside world. We must adopt effective measures to let more enterprises enter the international market directly, and to expand foreign trade in an effort to earn over \$950 million in exports over the whole year.

At the moment, Anhui has few enterprises with the power to deal in imports and exports, and this has made it difficult to meet the demands of expanding foreign trade. We must adopt positive methods to build up numerous export channels as soon as possible. Trading companies of prefectures and cities without the authority to deal in foreign trade, as well as production enterprises with certain export capabilities, may establish departments or branches in special provincial import and export companies, and operate through delegation. Foreign trade enterprises are the main force for expanding exports, and we must widely promote tenders and contracts to enhance operational capability. We

must actively encourage the collective, individual, and private sectors to expand exports through a myriad of channels.

We must speed up readjustment of the export product mix. One reason for the slow growth in foreign exchange earnings is that export products are low quality, have few varieties, and have low added value. Therefore, we must speed up the upgrading and introduction of technology in export production enterprises, and improve the quality of products. In particular, we must support electromechanical export enterprises to expand the volume, scale, and level of production; and increase the export of electromechanical and high technology products in a bid to raise the ratio of industrial goods in exports by 3 to 5 percent over last year. Foreign trade departments must assign specific people to collect information on the international market to help export product enterprises develop new products geared to the market. We must vigorously promote the integration of trade with industry, agriculture, and technology; and establish different types of export commodity bases which combine trade, industry, agriculture, and technology. Agricultural undertakings earning foreign exchange must introduce good strains from abroad, and increase the export of high-quality and high-efficiency products. We must grapple with setting up four export production structures with regard to the export industry, agriculture to earn foreign exchange, and rural and foreign enterprises.

We should adopt a strategy of promoting diversified foreign trade and vigorously open up the international market. Our province's trading markets are currently limited to Hong Kong, Macao, Japan, North America, and Canada, and are restricted by many factors. While consolidating existing markets, foreign trade enterprises and export-oriented manufacturing enterprises should fiercely develop the European Community, Commonwealth of Independent States, African, Southeast Asian, and South American markets. We should establish "windows" in more overseas locations and gear ourselves toward international economics and trade so as to form an international sales network linked to the province. Expanding the scope of international economic and technological cooperation is an important way to increase our foreign exchange earnings. Enterprises that possess adequate conditions should establish shareholding companies or enterprise groups with provincial companies for international economic and technological cooperation to jointly exploit international contract projects and labor service markets.

3. Accelerate the Development of International Tourist Industry Centered Around Huangshan.

With the aim of developing Huangshan into a world class tourist region, we should concentrate our efforts and effectively tackle such vital links as constructing infrastructure, producing tourist goods, and attracting more tourists. This year, our country is promoting the five major natural sights of Huangshan to the international

market and will hold a "Chinese Landscapes Tourism Festival" in Huangshan. Relevant prefectures, cities, and departments must take the opportunity to extensively publicize Huangshan and Jiuhuashan as well as vigorously open up the international tourism market to attract tourists. Light industry, village and town enterprises, tourism, and commerce departments should devote efforts to developing tourist goods with Anhui characteristics for increased foreign exchange earnings. We should aim to complete the Huangshan airport this year and inaugurate flights to Hong Kong.

To accelerate the pace of developing international tourism in Huangshan and Jiuhuashan, it is essential to utilize local and foreign funds. Therefore, we should attract large financial groups with rich resources for large-scale investment in developing infrastructure and related facilities in tourist regions. We should actively strive for state approval in developing the Huangshan holiday resort. However, before approval is granted, the province should begin to develop the resort with its own funds and develop new scenic spots, tourist programs, and entertainment centers. This is a way to induce the state into adopting policies by initiating our own projects. On taxation of foreign investors in opened regions, we should refer to state policies and act accordingly. We should strongly improve the management of key tourist spots in Huangshan and Jiuhuashan in order to upgrade the quality of service. Meanwhile, we should attach importance to developing natural scenic spots in other parts of Anhui in order to establish a tourist system corresponding to that in the southern part of the province.

4. Make a New Breakthrough in Developing and Opening Up Wuhu City and Hefei City.

The two opened cities of Wuhu and Hefei are leaders of the province's increased openness and modernization. It is necessary to accelerate the pace of their development based on the demands of "high starting point, export-orientation, full scale, and modernization." It is important to make full and effective use of various preferential policies for greater progress in our opening up to the outside world during this crucial year.

The two cities must make full use of state policies encouraging technical transformation to step up their technological transformation and technological imports, as well as to select a group of imported projects for implementation as soon as possible. They should develop and propel a group of backbone and competitive enterprises and high-quality products into the international market; this is to establish a sound import-develop-export cycle. Industrialization of the Wuhu Economic and Technological Development Zone phase one project should be quickened, and construction of the 2.5 square km phase two project should be accelerated. It should attract more investors and investment funds, and strive to become a state-level economic and technological industrial development zone. The Hefei High and New Technological Industrial Development Zone

should further relax its policies and encourage institutes of higher learning, scientific and technological units, large and medium-sized enterprises, and foreign investors to establish plants in the zone. It should explore new developments in the field of high and new technology. Hefei city should also begin to construct the Hefei Economic and Technological Development Zone. Other cities should make full use of the preferential policies and advantages of the two cities to engage in extensive economic cooperation.

We should accelerate the pace of opening up to the outside world, and all foreign-related work should closely follow suit. It is necessary to apply multiple channels to develop friendly international exchanges, and to comprehensively strengthen propaganda to the outside world through various methods to further increase the knowledge of Anhui overseas. We should increase friendly exchanges with foreign nations and regions; go abroad; make more friends; make full use of our relationship with friendship cities and with economic and trading partners; and strive to promote economic, trading, scientific, technological, and cultural exchanges and cooperation between Anhui and the outside world. Additionally, we should bolster exchanges and contacts with our compatriots in Taiwan, Hong Kong, and Macao, as well as Overseas Chinese in foreign countries in an effort to mobilize these favorable factors to effectively contribute to Anhui's modernization drive.

VI. Create a Favorable Environment for Economic Construction, Reform, and Opening Up

One of our strategic tasks in the 1990's is that, while enhancing economic construction we should also raise our socialist spiritual construction to a higher level to realize social progress in an all-around manner. We must uphold the policy of strictly performing the dual-tasks; in other words, while rallying efforts to accomplish the central task of economic construction, we should also increase our efforts in socialist spiritual construction.

Increase our efforts in the spiritual civilization drive, and form good habits. Government organs at various levels should pay close attention to the actual conditions of Anhui that rally forces for economic and social development; intensify their study and research on the theory of building socialism with Chinese characteristics; and arm their minds with the socialist market economy theory which is to serve as a guide in reform, opening up, and economic construction. We should strengthen ideological and political education for cadres and the masses, and apply various effective methods to promote education on the party's basic line, patriotism, collectivism, and socialist ideology. We should abolish feudalistic superstition and other bad habits; resist the encroachment of decadent capitalist thoughts; establish correct ideals, convictions, and value systems; and stimulate people's enthusiasm to join in the modernization drive. Additionally, we should enhance professional ethics and civilization construction among various trades and industries; forcefully commend exemplary models and

advanced figures with the new spirit of the epoch; and publicize new social habits. Furthermore, we should persistently and comprehensively launch various mass campaigns including promoting civilized villages and towns and five-merit households, and creating civilized units to advance the spiritual civilization drive at the urban and rural grass-roots level.

Strengthen democracy and legal system construction, and persistently administer according to the law. Governments at various levels must conscientiously accept the supervision of the people's congresses and their standing committees; earnestly report their work to the people's congresses and their standing committees at the same level; and promptly handle proposals, suggestions, criticisms, and opinions made by the people's deputies. Moreover, governments at various levels should also strengthen their relations with the Chinese People's Political Consultative Conference committees, democratic parties, patriotic individuals without party affiliation, and mass organizations; earnestly listen to their opinions and suggestions; and publicize important information on a timely basis to make it convenient for them to participate in and discuss state affairs, and to enable them to give full play to their role of democratic supervision.

The market economy is an economy operating under a legal system. We should attach great importance to the construction of the legal system. In 1993, the provincial government will accelerate legislative work relating to the economy, and formulate a number of drafts on certain regulations to be submitted to and deliberated by the provincial people's congress standing committee. In 1992, we screened some documents issued during the period for improving the economic environment and rectifying the economic order. Our next step is to screen, in accordance with legal procedures, stipulations, rules, and regulations that are incompatible with the requirements of a socialist market economy. Additionally, we should intensify education programs imparting general knowledge of laws in government organs at various levels; increase the personnel's understanding of the legal system's concepts; and gradually establish a system whereby administrative and law-enforcement personnel will undergo training, examinations, and certification before they are assigned to various law-enforcement posts so that personnel will administer according to the law. Furthermore, we should strengthen the construction of grass-roots governments and the masses' autonomous organizations. We should conscientiously implement nationality and religious policies that emphasize equality, mutual help, unity, and cooperation to promote common prosperity and progress among the various nationalities; strengthen management of religious affairs according to the law; guide proper religious activities; and unite and organize religious followers to involve themselves in building socialist material and spiritual civilizations. We should resolutely check conduct that may damage national solidarity, go against the party's religious policy, and jeopardize social stability.

Improve government organ's style. As a result of reform and opening up as well as economic construction, the community has become more and more demanding of government work; government organs at various levels should inherit and carry forward fine traditions by incessantly doing a good job in improving their work style. We should insist on seeking truth from facts, proceed from reality, vigorously reject formalism, overcome various dogmatic regulations and taboos, and creatively do a better job in organ work. We should uphold the mass line, strengthen contact with the masses, respect their inspiration, show concern for their suffering, thoroughly weigh their enduring strength before introducing major reform measures, and try to avoid "chopping all with one knife." We should mean business, and be observant and consistent while carrying out reform, construction, or in handling daily routine matters; we should regularly go down to the first line of reform and construction to conduct investigation and studies, and seize firsthand information before providing a timely solution to hot issues of public concern; we must insist on practicing economy in all our ventures; and we should oppose such unhealthy practices as extravagance, waste, and laziness. Each and every person serving in an organ should firmly bear in mind the fundamental objective of serving the people wholeheartedly by seriously fulfilling his or her duty as a public servant. Provincial government organs should set the example in improving work style.

Strengthen the building of clean government. Strengthening the building of clean government is particularly important in the process of the switch over to a socialist market economy. Leading organs and cadres should take the lead in honestly performing their official duties and work hard for the benefit of the people. First of all, high-level and medium-level cadres should practice strict self-discipline and lead by example in waging struggles against various corrupt practices. They should set their priority on rectifying unhealthy practices in trades and professions, straightening out the "three randomness" [wanton charging of fees, unreasonable imposition of fines, and compulsory apportionment of financial burdens], and solving hot issues which concern both the broad masses and enterprises. Law enforcement departments and departments having direct control over the disposal of resources should establish a healthy and perfect mechanism to prevent abuse. The anticorruption and building of clean government campaign depends on education, and, particularly, the legal system. We should strengthen the function of administrative supervision, and seriously investigate and penalize law and regulation violations, including the abuse of power for personal gain, trading power for money, graft, and acceptance of bribes. According to central arrangements, administrative supervisory departments and the party's discipline inspection committees will share an office to simultaneously implement both functions under a unified work system. Those at provincial level will start the practice in March this year and it should be completed by June. This is an important measure in strengthening administrative

supervision, and promoting organizational reform and should be implemented well. We should also make efforts to bring out the supervisory role of the mass media and public opinion; correctly understand the scope and limits of policies; strictly differentiate between the operating means required by the market economy and corrupt practices; and support and protect enterprises to liven up their operations by improving management according to international practices.

Effectively tackle the comprehensive control of social order and strictly strike at all criminal activities. With increased reform and opening up to the outside world, it is essential to create a good social order and environment for maintaining social stability. We must depend on the joint forces of special organizations and the entire society to resolutely strike at the damaging activities of hostile forces, to strictly crack down on criminal activities that seriously harm public order in accordance with the law, and to severely penalize criminal elements who sabotage reform, opening up, and economic development. In particular, we must resolutely smash underground gangsterism. We must unremittingly struggle against the "six vices" and pornography to eliminate the hideous social phenomena. It is necessary to strengthen the building of public security and judicial forces and ideological education as well as to upgrade law enforcement standards and the quality of case handling. We must lay down a good foundation in law enforcement, continue to enhance our capability in public security control, and further safeguard and consolidate social stability.

Develop an extremely good situation of Army-government and Army-people unity. Governments at all levels must, as always, concern themselves with national defense construction; strengthen national defense education for all people; and support the People's Liberation Army and armed police force in accomplishing all their tasks and in protecting military installations. We must combine the labor force and armed forces, and continue to do a good job in militia and reserve duty work. We must extensively prolong the activities of "double support" work as well as Army-people and police-people joint cooperation in local and economic construction. We must build more "double support" model towns (counties); support the establishment of service organizations for training military personnel in double qualifications; implement the policies of extending special care to disabled servicemen and family members of revolutionary martyrs and soldiers; resettle demobilized military cadres and retired soldiers; and concern ourselves with the livelihood of family members of martyrs and do our best to solve their problems. We should continue to consolidate and develop a new style of Army-government and Army-people relations that share the same destiny.

Fellow deputies:

The 1990's is a crucial period in Anhui's modernization, and a heavy burden of establishing a new socialist market economic system and accelerating economic development has been historically placed on our shoulders. We must, in

accordance with the guidelines of the 14th CPC National Congress, further emancipate our minds and change our concepts. We must closely focus our attention on economic development, undertake bold reform and investigative measures, and do effective and practical work. The provincial people's government calls on all people in the province to unite more closely under the leadership of the Anhui Provincial CPC Committee, to hold high the great banner of building socialism with Chinese characteristics, and to strive for Anhui's economic upsurge and social prosperity.

Southwest Region

Liu Zhengwei Discusses Guizhou Economy

HK0204065793 Guiyang Guizhou People's Radio
Network in Mandarin 2300 GMT 28 Mar 93

[Report by XINHUA reporter Li Xiaoling: "Viewing Guizhou From Another Angle—Interviewing Guizhou Provincial Party Secretary Liu Zhengwei"]

[Excerpts] Although Liu Zhengwei is Guizhou provincial party secretary, in an interview with this reporter, he did not deliberately avoid talking about the present backward situation of his province. Guizhou is an interior and highland province. People used to describe it as a province in which "fine weather lasts only less than three days, flat ground is rarely found, and only a few people have three pieces of silver." When other regions were developing vigorously in reform and opening up, Guizhou remained unchanged. The province is far from main rivers, seas, and borders. However, when talking about his province, Liu Zhengwei showed his own sound judgment. He said: People say that fine weather in Guizhou lasts only less than three days. This originally meant that weather condition are poor. However, it also indicates that the province has sufficient rainfall, and that it has strong points for developing agriculture, animal husbandry, and hydroelectric power. People say that flat ground is rarely found in Guizhou. This originally meant that it is a mountainous province, and that the area of land which can be utilized in the province is small. However, this also indicates that Guizhou is rich in mineral resources, and that its potential for industrial development is great. Only a few people in Guizhou have three pieces of silver. However, judging from the present-day standard, it is not too difficult for people in the province to attain the purpose of having three pieces of silver.

Liu Zhengwei added: First, Guizhou is not too far from sea. The distance between Guiyang and Huangchenggang Port in Guangxi is only 500 km. Second, Guizhou is close to the border. One travels by land only 500 km from the southwestern part of Guizhou to the border. Third, Guizhou is not too far from rivers, because Wu Jiang and Chishui He in the province flow directly into the Chang Jiang. In the past, people used to say that Guizhou was landlocked as far as its geographical condition is concerned. Now it is obvious that Guizhou is located at a juncture between the vast southwestern

region, which is rich in natural resources, and the vast southern part of China, which is characterized by its geographical position. It also a major passageway from Guangxi to several provinces in the southwestern region. It serves as a link between coastal, riverside, and border regions for opening up to the outside world. In the past, people used to say that Guizhou had a poor basis and meager economic foundation to start with. It was true. However, it is now obvious that Guizhou has strong points not only in energy resources, including hydroelectric power and coal, but also in raw material resources, including mineral and metal products, and tourism resources characterized by natural scenery and local customs of minority nationalities. It has strong points in chemical industrial resources characterized by the integration of coal, phosphorus, and natural gas. [passage omitted]

Liu Zhengwei pointed out: Viewing Guizhou from another angle, one finds out that there is gold everywhere in Guizhou, and that the province has strong points everywhere. If Guizhou can make use of these strong points, it can also seize the fine opportunities for development. In so doing, it can catch up from behind. While talking about this point, Liu Zhengwei was full of confidence. How should Guizhou seize the favorable opportunities? Liu Zhengwei stressed: According to our analysis of Guizhou's strong points, the provincial CPC has formulated an initial guiding principle of moving in all directions: south, north, west, and east. Moving to the south means that we will strengthen cooperation with Guangxi, Guangdong, and Hainan, and open up international markets in Southeast Asia. Moving upward to the north means that we will strengthen our cooperation with Sichuan, Tibet, and even the entire northwestern, northern, and northeastern regions to develop border trade. Marching to the west means that we will strengthen cooperation with Yunnan to squeeze in markets in Southeast Asia. Linking with the east means that we will strengthen cooperation with areas along the Chang Jiang, various coastal provinces in the southeast, and actively participate in economic development led by Pudong in Shanghai.

Liu Zhengwei continued: The above-mentioned eight-character strategy will play a role of fully pushing Guizhou forward. Guizhou has started seizing the fine opportunities for development, and its strong points have been initially exploited. Guizhou is extricating itself from seclusion. Liu Zhengwei briefed the reporter on the advanced Guizhou amid reform and opening up as if he were enumerating his family valuables. [passage omitted]

In conclusion, Liu Zhengwei emphasized: The ongoing First Session of the Eighth National People's Congress has issued a new call to us. People in Guizhou have realized that it is impossible for them to extricate themselves from seclusion in one move. However, in accordance with the demand set by the session, they will make efforts to keep on marching without letup.

Tibet Water Control Project Proceeding 'Smoothly'

OW0204100293 Beijing XINHUA in English 0944
GMT 2 Apr 93

[Text] Lhasa, April 2 (XINHUA)—A comprehensive water-control project is going ahead smoothly in the Tibet Autonomous Region.

The key state project got started two years ago. It is aimed at developing irrigation in the farming area between the Yarlung Zangbo, Lhasa and Nyangqu Rivers.

With a planned investment of 2.1 billion yuan, the giant project will improve agricultural conditions in 18 counties, whose population accounts for one third of the regional total.

According to Qiabon, director of the construction office, the region has poured a total of 154 million yuan into 52 water-conservancy, energy, forestry, scientific and technology sub-projects, a quarter of which have already gone into operation.

Tibetan farmers in this area have benefitted from such projects as a major irrigation channel in rice-rich Gyangze county and the vegetable production base around Xigaze city, said the official.

This year an additional 115 million yuan from the central government will be spent on starting up 50 new items and finishing key works.

Six Tibetan Counties 'Devastated' by Snow Storms

OW0204013293 Beijing XINHUA in English 1550
GMT 1 Apr 93

[Text] Lhasa, April 1 (XINHUA)—Six counties in Tibet were devastated by heavy snow storms in late March.

Snow falls between March 23 and 26 averaged 10 to 50 cm on low ground and the deepest reached two meters.

According to reports from Zhongba, Saga and Dingjie Counties southwest of Xigaze, the snows caused great disruption to production and transport.

Some areas reported heavy livestock losses with the death rate among breeding and new-born animals as high as 30 percent.

The China-Nepal and Lhasa-Yadong Highways were cut by snowslides in different sections.

The Xigaze Prefecture Government has sent two working groups to help local people cope with the disaster.

North Region

Beijing Grants Licenses to First Private Brokers

OW0104033093 Beijing XINHUA in English 0243
GMT 1 Apr 93

[Text] Beijing, April 1 (XINHUA)—The first group of six private brokers in the Chinese capital have received business licenses from the eastern district branch of the Beijing Bureau of Industry and Commerce.

The six people will mainly act as go-betweens for commercial enterprises, trading companies, and scientific and technological research institutions. Their registered capital ranges from 20,000 yuan to 100,000 yuan.

The six people include a project manager of a company, a retired factory purchasing agent, a retired engineer and an unemployed individuals. The oldest of them is 49 and the youngest is 22.

Wu Jianguo, 37, used to be the purchasing agent for the Beijing Plastic Products Factory. After he resigned his job he ran an inn, and later sold furniture and garments.

Graduated from the Chongqing Jiaotong College in 1989, Li Jing is the only female broker among the six. She resigned from her post as project manager of an electronics company. Now she is the head of the Baoma Brokerage Company, which has three other employees and a registered fund of 100,000 yuan.

Brokers get commissions for acting as go-betweens for sellers and buyers. Before the founding of New China in 1949 brokers' activities covered finance, real estate, industrial materials and other fields. After the founding of New China, such business was regarded as speculation, and profiteering was banned.

Already, brokers in some coastal cities, Wuhan, Changsha and other inland cities have obtained business licenses. Shanghai, Guangzhou and Zhuhai cities have also established brokerage companies and associations.

Hebei's Handan City Elects New Officials

SK3103134893 Shijiazhuang HEBEI RIBAO in Chinese 12 Mar 93 p 1

[Text] The First Session of the Ninth Handan City People's Congress was held from 4 to 10 March. During the session, Tian Yijie [3944 5669 2638] was elected chairman of the ninth city People's Congress Standing Committee; Bian Xueyi [6708 1331 5030], Lan Hongji [5695 3163 1015], Yao Erchen [1202 0059 6591], Song Zhendong [1345 2182 2639], Wang Tianzeng [3769 1131 1073], and Huang Hanguang [7806 3352 0342] were elected vice chairmen of the city People's Congress Standing Committee; Tang Ruoxin [0781 5387 2500] was elected mayor of the city; and Zhang Sanfa [1728 0003 4099], Yan Fengyun [7051 7685 0061], Jin Cunyi [6855 1317 5030], Jin Liwen [7246 4539 2429], Li

Guangzhen [2621 0342 7201], He Zhishen [0149 5268 3234], and Li Jisheng [2621 4764 3932] were elected vice mayors of the city.

The First Session of the Sixth Handan City Chinese People's Political Consultative Conference [CPPCC] Committee was held from 2 to 7 March. During the session, Tian Zhijie [3944 1807 2638] was elected chairman of the city CPPCC committee; and Tang Shuzhang [0781 6615 4545], Li Xishi [2621 6932 2514], Hu Mingcheng [5170 2494 2052], Yang Zhaojian [2799 5128 6943], and Li Wei [2621 4850] were elected vice chairmen of the city CPPCC committee.

Northwest Region

Shaanxi Sets Up 20 Key, 68 Development Projects

HK0204075093 Xian Shaanxi People's Radio Network
in Mandarin 0500 GMT 25 Mar 93

[Text] On the basis of sufficient research, and in light of the province's weak link, that is, the infrastructure, especially traffic, energy, important raw and semifinished products whose development is lagging, last July, the provincial party committee and government formulated 20 Shaanxi-invigorating projects and 68 development items. Most of these projects are invigorating and takeoff projects that make use of the province's advantages to radically change backward basic industries, including agriculture, transportation, and energy. The Shaanxi-invigorating projects entail, in the preliminary estimate, a total investment of 77.7 billion [figure indistinct] yuan. The Shaanxi-invigorating projects can roughly be divided into four major categories: The first are transportation and communication projects. The second are prospecting projects for coal, electricity, petroleum, and mines. The third are machinery-building, electronics, and textile projects. The fourth are city planning and water supply projects. Of the 20 Shaanxi-invigorating projects, some have been implemented over the past few years, some are now being implemented, and some are [word indistinct] projects.

Relevant departments and bureaus at the provincial level have already formulated measures for implementing the 20 Shaanxi-invigorating projects and will ensure that the 68 development items are implemented in units and individually to ensure that "three things be done" [as heard] by supervisory units in charge of the various development items in procuring funds and work progress.

Of the 68 development items, a dozen or more projects, including the Sanyuan-Tongchuang Highway, the Xianyang Petroleum [word indistinct] Factory, the Ankang Hydropower Station Project, the [words indistinct], and the Yanan Petroleum Refinery, have been completed and put into operation or have begun production on a trial basis.

A great number of development items, including the Shenmu-Shuo County Railway, the Baoji-Zhongwei Railway, the Xian-Baoji first-grade highway, the Guanzhong high and new technology development belt project, the Zhixian airport project, and the two 20-million-mu basic farmland projects, are now being built or put into operation. Preliminary-phase preparations are being stepped up for some of the projects, such as the Xian-Ankang Railway, the Northern Yanan-Yulin-Northern Shenmu Railway, the Xian-Tongguan Railway, and the Tongchuan-Yanan high-grade highway.

When the 20 major Shaanxi-invigorating projects are carried out, we will be able to form a radiating, asterisk-shaped, high-grade highway framework which is centered in Xian, and which links 10 prefectures and cities; form a railway route from Longhai County to Yulin to Ankang and an intersecting cross-shape railway transportation main artery; open direct flight services to major tourist countries and regions; and make it possible for program-controlled communication for every county and telephone communication for every township and town. Other resource advantages such as coal, petroleum, natural gas, hydropower, nonferrous metals, and nonmetallic minerals can be brought into further play. A large number of large and medium-sized enterprises can undergo technological transformation, forming a number of key development items and competitive products with regional characteristics [words indistinct]. As for agriculture, the two 20-million-mu farmland capital construction projects, comprehensive agricultural development, and the construction of cash crop bases will basically bring the province's agriculture on to the track of fine-quality, high-yield, and high-efficiency, and maintain its steady increases.

At present, everyone across the province is conscientiously ensuring that the 20 Shaanxi-invigorating projects are carried out. As of the end of last year, of the 68 development items, 29 had been implemented with a total investment of 9.6 billion yuan, of which 3.6 billion yuan were invested in that year. There were 19 intended and approved feasibility study reports. Thirty-nine development items have been arranged for this year.

Xinjiang Agricultural Project Progresses 'Well'

OW0104032093 Beijing XINHUA in English 0149
GMT 1 Apr 93

[Text] Urumqi, April 1 (XINHUA)—An agriculture project in the Tarim River Valley, in the northwestern Xinjiang Uygur Autonomous Region, has been progressing well since construction began a year ago, according to an official report.

By the end of 1992, civil works involving an investment of 123 million yuan had been initiated. Approximately 17,520 hectares of wasteland have been reclaimed, and 18,340 hectares of low-yield farmland have been upgraded.

An invitation for tenders has been organized for purchases of steel, timber, chemicals, cement, construction machines, generators and other supplies required for the project. Contracts valued at 165 million yuan have been signed.

The project is one of the three largest in China to be financed with foreign funds. It calls for a total investment of 1.1 billion yuan, which will include a 125 million U.S. dollars loan from the World Bank.

The scope of the project is comprehensive, and will include the construction of an irrigation and drainage

network that covers 200,000 hectares of land near the Yarkant and Huagan Rivers. The project will also focus on the development of a hydropower system on the Yarkant River and the re-establishment of a balanced ecosystem in the Tarim River range.

Though still at its initial stage, the project is said to have already shown benefits: grain production in the Yarkant River project area had increased from an original 622,700 tons to 701,700 tons in 1992. Cotton production jumped from 53,600 to 126,600 tons. The average annual income of farmers in the region has risen from 400 yuan to 721 yuan, according to official sources.

Commentary on Cross-Strait Negotiations Progress

HK0204062793 Beijing ZHONGGUO XINWEN SHE
in Chinese 1157 GMT 28 Mar 93

["Commentary" by staff reporter Zhang Lei (1728 7191)]

[Text] Beijing 28 March (ZHONGGUO XINWEN SHE)—Hsu Hui-you [6079 1920 4368], Taiwan's Straits Exchange Foundation (SEF) Legal Service Department head and his company of six arrived in Beijing on the afternoon of 25 March, and met with Zhou Ning [0719 1337], China's Association for Relations Across the Strait (ARATS) Consultative Department deputy director, and Li Yafei [2621 0068 7378], Comprehensive Department director, and have conducted talks on the employment, investigation, and verification of notaries issued by both sides, inquiries about registered mail matters between the two shores, and matters on compensations (for loss or damage) for two work days. Hsu Hui-you and company have left Beijing for Taiwan today.

Both sides stated that the current talks have been going on smoothly with marked results, which signal the conclusion of the working stage for talks over those two topics in routine work.

In late March last year, the just-founded ARATS and Taiwan's SEF held talks on these two topics in Beijing. Last October, the two organizations continued their consultations and exchanged views in Hong Kong. Last February, the two organizations exchanged texts for negotiation in the form of letters and telegrams, and the current talks are aimed at sorting out negotiation wordings and expressions, and making some technical changes in the document's first joint-effort draft.

Everybody knows with the continuous development of cross-strait relations in recent years, cross-strait exchanges and ties continued to expand, derived from which quite a few legal issues, such as inheritance, adoption and marriage, and cases involving the employment of notaries issued by both sides to protect the proper rights and interests of those concerned in Taiwan and China, have grown increasingly greater in number with each passing day. Besides, pleasing changes have also taken place in cross-strait communication through

operations in post and telecommunications, which increase by a wide margin every year.

Thus, working meetings over matters in these two aspects naturally are of great concern among various circles on both sides.

ARATS Comprehensive Department Director Li Yafei stated that the current talks eventually resolved disputed issues, and arrived at ways acceptable to both sides and common expressions.

It should be noted that it was the fruit of the utmost efforts of the two sides involved in the talks, including the representatives from the China Association for Notaries and China Society for Telecommunications Committee for the Speciality of Post Service, their active attitude and sincerity in the spirit of showing respect to each other, seeking truth from facts, seeking common ground while reserving differences, and negotiating on an equal footing.

Yesterday afternoon, ARATS Deputy Secretary-General Sun Yafu held discussions with Hsu Hui-you and company inviting Mr. Chiu Chin-yi [6726 6651 4135], the newly appointed SEF vice president of the board to visit China, as well as the agenda, time and place for the preparatory meeting for the "Wang-Gu [Koo] meeting," the meeting of the responsible persons of ARATS and the Straits Exchange Foundation. Hopefully, the preparatory negotiations for the "Wang-Gu meeting" will take place in early April.

Regarding the two aforesaid topics, when the two accords on the employment of notaries, investigation, and verification, and the inquiry of registered mailed matters and compensations will be dealt with are still of universal concern.

It is believed that so long as the two sides start from the purport of protecting the proper rights and interests of people on both shores, show sincerity to each other, seek common ground while reserving differences, and seek common understanding in the specific issues deriving from the cross-strait exchanges and ties in a practical attitude, the wish to conform with the interests of people on both shores will certainly be fulfilled. Compatriots in Taiwan and China will certainly be glad to see its fulfillment.

Taipei Reacts to U.S. Report on Trade Barriers

OW0204083693 Taipei CNA in English 0817 GMT
2 Apr 93

[Text] Taipei, April 2 (CNA)—Various circles Thursday [1 April] responded to U.S. accusations of unfair trade practices by Taiwan.

The office of U.S. trade representative released a report March 31 listing 44 countries of using trade barriers to keep American products from being sold in their markets, in which Taiwan was included.

The report is the first step in a process that could lead to American trade sanctions if negotiations fail to correct alleged infractions.

The allegations against Taiwan included excessively high import tariffs, non-transparent government procurement procedures, insufficient protection for intellectual property rights, and restrictive access to the financial service market.

The Ministry of Economic Affairs (MOEA) stressed that lower tariffs and simplified licensing requirements for imports are part of the government's strategy to promote economic liberalization and internationalization.

Further customs duty reductions are expected following bilateral consultations with contracting parties of the General Agreement on Tariffs and Trade (GATT), ministry officials said.

On the government procurement, the officials termed the American allegation as "groundless," noting that the United States itself has more barriers than Taiwan's in purchasing from abroad. In addition, they said, a large number of American firms joined Taiwan's government procurement pro protects in the past few years.

The officials pledged that the moea will continue efforts to coordinate with the legislature to speed up the enactment or revision of regulations governing cable tv, trademarks, and patents, thereby ensuring sound protection for intellectual property.

Moreover, the Legislative Yuan has decided to scrap the government's monopoly on the sale of cigarettes and alcohol in three years, they added.

Vice Finance Minister Li Chung-ying categorically denied that Taiwan is a closed market to foreign investment, saying that many well-known American enterprises already opened factories here.

Doubts on the opening of Taiwan's financial service market might come from certain curbs on deposits of New Taiwan [NT] dollars by foreign investors, which make their acquisitions of NT dollar funds difficult, he explained.

Currently, foreign banks are allowed to open business on commercial papers and credit cards, the vice minister

said, adding that more other banking transactions will be opened to foreign financial institutions in the near future.

The gradual opening of Taiwan's financial service market is an established government policy, he noted.

As to the U.S. allegation that Taiwan's agricultural products and automotive parts are subject to [words indistinct] and complying with the GATT spirit.

Li pointed to the worldwide trend for protective measures for farm products. In view of Taiwan's lean competitiveness in this field, he said, it is justified for the [words indistinct] to rice [words indistinct] agricultural sector some protection.

The U.S. report also drew a strong reaction from the Chinese National Federation of Industries, which lodged a strong protest against what it called untrue figures.

According to the report, Taiwan's failure to protect intellectual property rights has caused U.S. business losses of US\$700 million a year.

A statement issued by the federation said that it was unfair for the United States to make the accusation after Taiwan has made sustained efforts to enforce protection work for intellectual property rights.

Legislator Lin Chih-chia, in a written interpellation, urged the government to cite facts to refute the U.S. allegations. Instead of putting pressure [words indistinct] he said.

Council Head Says Koo-Wang Talks Open To Public

OW0204090893 Taipei CNA in English 0828 GMT
2 Apr 93

[Text] Taipei, April 2 (CNA)—The process of the cross-strait meeting between C.F. Koo of the Straits Exchange Foundation (SEF) and Wang Daohan of the Association for Relations Across the Taiwan Straits (ARATS) will be open to the public, according to Huang Kun-hui, chairman of the Mainland Affairs Council.

Huang said that his council will brief the Legislative Yuan on the scheduled visit of SEF personnel to the mainland before the trip is made. The council will also submit a report about the trip afterwards.

While any development of cross-strait relations involves the welfare of the over 20 million residents on Taiwan, Huang said that the Koo-Wang talks should be under the supervision of the legislature, legal system, media and the people.

He added that the Mainland Affairs Council will make public the background and the proceedings of the meeting to be held in Singapore.

Answering interpellations at the Legislative Yuan, Huang said that the Mainland Affairs Council will

provide the Straits Exchange Foundation a letter of authorization to conduct the cross-strait meeting, in which the contents of the Koo-Wang meeting will be clearly delineated.

The council will nullify discussions on any topics other than those for which it gives prior approval, Huang added.

Huang revealed that topics to be discussed at the Koo-Wang meeting will cover the establishment of proper channels for negotiations between the SEF and ARATS, the drafting of practices to guarantee Taiwan investors legal rights on the mainland, and cross-strait youth exchange programs. Protection of intellectual property rights and prevention of high-sea crimes are also listed.

As SEF Secretary-General Cheyne Chiu is leaving for Peking on April 7 to arrange for the Koo-Wang meeting, legislators have expressed their concern about Chiu's approach.

Huang said that if Chiu oversteps his authority, the Mainland Affairs Council will call him back. Meanwhile, Chiu has guaranteed that he would reveal the contents of any discussion that entailed from a meeting with mainland officials during the April 7-11 negotiations prior to the Koo-Wang meeting.

Council Study Compares Taiwan, PRC Media

*OW0204085893 Taipei CNA in English 0801 GMT
2 Apr 93*

[Text] Taipei, April 2 (CNA)—A recent study indicates that the mass media in Taiwan is free to cover news while its mainland counterpart is still in the tight reins of the Chinese Communist Party.

The conclusion was reached in a study presented Thursday [1 April] by National Chengchi University Professor Chung Wei-wen on the mass media in Taiwan and the China mainland.

Chung's study shows that mass media on the both sides rarely share the same viewpoint in the selection of top news stories. Even on the treatment of identical stories, the two sides commonly differ. While mainland newspapers usually present only a surface sketch of news stories, local newspapers feature in-depth news coverage, the study points out.

In the coverage of non-cross strait news coverage, papers on both sides differ little in their manner of coverage. But a vast difference emerges whenever news coverage is related to political news and to ties between Taiwan and the mainland.

The study was based on a survey conducted from January, 1989 through December, 1991, during which 270 stories from local papers and 496 stories from mainland papers were selected randomly.

Chung opined that the sharp difference stem mainly from news sources. On the mainland, the various level governments are themselves the providers of news, as mass media is still seen as the mouthpiece of the Chinese Communist Party.

By contrast, Taiwan news sources are diversified; the mass media here is bestowed with full freedom, Chung [words indistinct] here are told to deliver the latest news to their readers and audiences as soon as possible.

The study was commissioned by the Mainland Affairs Council to gain a comprehensive understanding of the mainland mass media, to serve as a reference for the government.

Chung in his study recommended that the government draft short- and long-term projects for cross-strait news [words indistinct].

The [words indistinct] Chung said, can immediately take initiatives in the following points: Providing news data to the mainland, allowing more mainland reporters to cover news here, strengthening communication of news ideals, encouraging cross-strait news cooperation projects, and jointly conducting news research projects.

Delegation To Attend Shanghai East Asian Games

*OW0104091093 Taipei CNA in English 0807 GMT
1 Apr 93*

[Text] Taipei, April 1 (CNA)—The Republic of China [ROC] will send a 187-member delegation to take part in the first East Asian Games to be held in Shanghai in May, the Chinese Taipei Olympic Committee reported Wednesday.

The Chinese Taipei team, composed of 130 athletes and 57 officials and staff, will compete in 10 normal sports and one demonstration event, an Olympic Committee official said.

The 10 games are bowling, basketball, martial arts, track and field, weight lifting, badminton, gymnastics, swimming, judo, and boating. The one demonstration event is soft tennis, the official said.

Chang Fong-shu, chairman of the Chinese Taipei Olympic Committee, will lead the Chinese Taipei team with Li Ching-hua, vice chairman, as deputy team leader.

A special chartered airplane may be arranged to carry the team from Taipei to Shanghai, the official said.

Remittances to PRC Increase Rapidly

OW0204085693 Taipei CNA in English 0754 GMT
2 Apr 93

[Text] Taipei, April 2 (CNA)—Individual Taiwan people remitted US\$205 million to Mainland China last year, up 56 percent from the year before, according to government statistics.

Remittances to the mainland are expected to rise further in the years ahead, finance officials said.

The government began in May 1990 to allow local people to remit money to their friends and relatives on the mainland. Cross-strait remittances totaled US\$301 million between May 1990 and December 1992, the officials noted.

The figure did not include funds for trade and investment on the mainland, the officials said, adding that some businessmen had been caught using the individual remittance system for investment on the mainland in order to evade government controls.

The officials said individual remittances to the mainland will continue to rise as cross-strait contacts are growing rapidly. Local citizens can remit up to US\$5 million abroad a year.

Foreign Minister Meets ROK Opposition Leader

OW0204090593 Taipei CNA in English 0821 GMT
2 Apr 93

[Text] Taipei, April 2 (CNA)—A visiting Korean opposition leader Thursday [1 April] urged Taipei to re-establish relations with Seoul as early as possible, [passage indistinct]

Kim blamed a hasty policy taken by the No Tae-u government for the deplorable result.

Kim stressed to Chien that people in the two countries should continue to maintain friendly civil relations in the absence of official links.

Kim hoped that the two countries would work together for a reasonable formula and re-establish a new mode of relations acceptable to both as soon as possible.

The visiting Korean politician said he and Chien had a wide discussion focused on bilateral trade and other practical issues and gained certain progress in their more than one hour meeting. But Kim disclosed no details.

Kim Thursday also called on Hsu Shui-teh, the ruling Kuomintang's secretary general.

Premier Calls For Closer Ties With New Zealand

OW0204091293 Taipei CNA in English 0832 GMT
2 Apr 93

[Text] Taipei, April 2 (CNA)—Premier Lien Chan Thursday [1 April] expressed his desire that the Republic

of China [ROC] and New Zealand with their existing solid ties can step up cultural exchanges and trade.

Lien made the remarks when meeting with Murray McCully, customs minister and concurrently associate tourism minister of New Zealand, at the Legislative Yuan Thursday.

McCully, who arrived here on March 29, is the first cabinet-level official from New Zealand to visit Taiwan since Taipei and Wellington broke off official diplomatic ties in 1972. He departs later today.

The minister's rare visit is apparently aimed at promoting trade and seeking investments in his country by local enterprises.

Two-way trade totaled US\$550 million, a stunning growth of 44 percent over the previous year, he noted.

Tourism is another appeal of the visitor. Taiwan tourists lavished as much as US\$5 billion abroad in 1992. Lien indicated that the United States for a long time has been most favored destination of Taiwan travelers, but that the trend has somewhat altered, with New Zealand becoming one of their most popular overseas tourism sites.

Currently there are eight flights weekly between Taiwan and New Zealand. So many tourists book air tickets for the route that seats are available only if reservations are made three months ahead of desired travel schedules, tourist agents here say.

Taipei Seeks To Join World Health Organization

OW0204091593 Taipei CNA in English 0839 GMT
2 Apr 93

[Text] Taipei, April 2 (CNA)—The Republic of China [ROC] Government is working toward joining the World Health Organization (WHO), according to an official of the Department of Health (DOH).

A fact-finding group, composed of officials from the DOH and the Ministry of Foreign Affairs, visited five Caribbean nations who have diplomatic relations with the ROC in mid-March for exchanges on medical policy and foreign affairs.

Invited by [words indistinct] D.C.-headquartered Pan-America Health Organization, an affiliate of the WHO, the officials from Taipei met with their counterparts in Grenada, St. Vincent & the Grenadines, St. Lucia, St. Christopher and Nevis, and Dominica, said Tsai Jing-fu, director of international cooperation of the Health Department.

Tsai said the group has also sought support from governments of the five nations for ROC's bid to enter the WHO, and judged the situation as looking "favorable."

Dissident Huang Shun-shing Allowed To Return

OW0204092093 Taipei CNA in English 0806 GMT
2 Apr 93

[Text] Peking, April 2 (CNA)—The Republic of China [ROC] Government should allow all first-generation Taiwanese people stranded on the Chinese mainland to return to their home towns, an exiled Taiwanese dissident said here Thursday [1 April].

Huang Shun-shing, 70, made the call after learning that the ROC Government had lifted a ban on his return to Taiwan.

Huang, a former Taiwan legislator who defected to the mainland in 1983 after losing a reelection bid, said he hopes Taiwan opens its doors wider to let all older-generation Taiwanese return to their homeland.

Huang, who until recently was a member of Peking's National People's Congress, said there are currently

some 4,000 elderly Taiwanese who came to the mainland before 1949 and have not been allowed to return to Taiwan. Most of these Taiwan natives are homesick, Huang said.

Huang, who served as magistrate of Taitung county in eastern Taiwan in the 1970s, had a stormy career in the National People's Congress as one of the few deputies who dared to challenge mainland Chinese government policies. He resigned from the NPC early this year.

Huang said he plans to return to Taiwan in the near future. He will first undergo a heart operation at Chang Gung memorial hospital and then travel around the island to visit old friends.

Huang said he will not get involved in any political activities during his stay in Taiwan, adding he has no plan to settle in Taiwan. He said he will also visit the United States, Japan and several south Pacific nations.

Hong Kong

Official on UK Request for 3d Party 'Pressure'

HK0204071493 Hong Kong TA KUNG PAO in Chinese
2 Apr 93 p 12

[Dispatch from Beijing: "Chen Ziyang Stresses in Beijing That Third Party Is Not Allowed To Interfere in Hong Kong's Affairs"]

[Text] Beijing, 1 Apr (TA KUNG PAO)—Chen Ziyang, deputy director of the State Council's Hong Kong and Macao Affairs Office, today accompanied the Hong Kong affairs advisers to the Hong Kong Macao Center; there he was asked by a reporter how he would respond to British Foreign Secretary Douglas Hurd's speech to the Japanese press asking Japan to exert pressure on China on the Hong Kong question. Chen Ziyang reiterated that the Hong Kong question is a matter between China and Britain before 1997, and China's internal affair after 1997, and that no third party is allowed to interfere.

Magazine Commentary Urges Cooperation With UK

OW0204065993 Beijing XINHUA in English 0620
GMT 2 Apr 93

[Text] Beijing, April 2 (XINHUA)—A commentary published in a recent "WINDOW" magazine based in Hong Kong urged Chinese Government and British Hong Kong Government to enhance their cooperation.

T.S. Lo, president of "WINDOW" magazine and China's advisor of Hong Kong affairs, noted in the commentary that in introducing the British Government's political package for Hong Kong, Chris Patten was not cooperating with China.

The commentary says that Patten's political package threw a monkey wrench into Sino-British relations.

At the same time, China's intention to set up the "second stove" appears more confrontational than cooperative. Nevertheless, it is the only way ahead for real cooperation.

The view that is gaining ground is that only when Britain sees that there is nothing to be gained by planting time-bombs will it give up doing so. Once China's political kitchen for Hong Kong is convincingly set up—the stove all ready for cooking—it will become clear that little can be gained by sabotage and much by genuine cooperation.

This belief results from analyzing the evident interests of Hong Kong, Britain and China.

China's interests is obvious. Hong Kong's prosperity is vital to its modernization, while Hong Kong's decline could bring no benefits. It has always been sensible about this and acutely aware of the need for cooperation with

Britain. Otherwise, the Sino-British Joint Declaration, the Basic Law and the various accords between the two countries would not have been couched in the terms that they were. Like Hong Kong people, however, the Chinese side is unschooled in securing genuine British cooperation.

But what is its way? Where do Britain's interests lie? Is there any basis for the presumption that they work in the interest of Hong Kong? Can anyone find a single cogent practical and selfish reason why they should?

It is easy enough to rationalize a British policy that conflicts with Hong Kong's interests by citing:

(1) Lee Kuan Yew's much publicized Western conspiracy theory, namely that a strong China (for which a prosperous Hong Kong is helpful) does not further U.S. ambitions.

(2) The tendency of history to repeat itself. Britain has a terrible reputation for leaving its colonies in strife and tatters and there is no reason for Hong Kong to expect a better fate.

(3) The often repeated charge of British avarice—that it would suck the last drop of money out of Hong Kong before it leaves.

(4) The undisguised British wish to extend beyond 1997 its political and commercial influence in Hong Kong and

(5) Britain's need—unable to bear the thought of handing over a fat-cat Hong Kong to a Cold War enemy—to strip it of all wealth or destroy what it cannot take away before the handover (politically, by introducing adversarial systems throughout government and commercially, by encouraging greater dependence on Western largesse instead of self-reliance).

Can anyone provide an equally convincing rationale for Britain furthering the interests of Hong Kong?

From time to time it has been posited that British commercial interests here would militate against harmful actions and would encourage their government to act beneficially instead.

This wishful thought has had little validity in recent years. Certainly English companies still affect many important aspects of our lives here. However, in most cases their assets, profit centers, as well as shareholdings have been diversified outside Hong Kong. Only the control of these companies is still held by British directors who have the right to switch, at the drop of a hat, the legal control of the company out of Hong Kong.

The card that Hong Kong does hold and can play is its will and capacity to run Hong Kong after July 1, 1997 in a clean and modern way. Hong Kong people must demonstrate that no matter what Britain may do in the final hours of its rule, they will be willing and able to put it right afterwards. When it is pointless to do damage, people might be tempted to do good.

XINHUA Official Comments on Situation**Wrong for Countries to 'Meddle'**

*HK0204070993 Hong Kong TA KUNG PAO in Chinese
2 Apr 93 p 12*

[Report: "XINHUA Hong Kong Deputy Director Zhang Junsheng Stresses: Hong Kong Issues After 1997 Are China's Internal Affairs, and It Is Wrong for Other Countries to Interfere"]

[Text] Zhang Junsheng, XINHUA Hong Kong deputy director, reiterated yesterday: Hong Kong affairs after 1997 are China's internal affairs, and it is wrong for any third country to interfere.

Zhang Junsheng went to the airport to see the first and second groups of Hong Kong affairs advisers off to Beijing yesterday. Afterwards, when asked about the news that British Foreign Secretary Douglas Hurd had urged Japanese businessmen to bring pressure to bear on China, he said he had not seen the relevant news, so he did not make any official comment on it. He added: The Chinese Government consistently reiterates that Hong Kong affairs before 1997 are things between the Chinese and the British Governments, whereas Hong Kong affairs after 1997 are completely China's internal affairs, and it is wrong for any third country to meddle in Hong Kong affairs.

He also responded to remarks made by Hong Kong Governor Patten when the latter left Hong Kong the day before yesterday. He hoped Patten would not believe in the tenet which stated that "lies would become truth if they are said time and again." He pointed out: Governor Patten said the day before yesterday that he had been seeking consultations with the Chinese side since October last year, but as everybody can notice, Patten unilaterally published his political reform package in October last year, thus formally violating the principle, as stipulated in the Sino-British Joint Declaration, which states that China and Britain must consult all major matters related to the transition in 1997. The content of his constitutional package has also severely violated the stipulations of the Basic Law and trespassed against the understanding and agreements reached between China and Britain.

He said: Over the past six months, all walks of life in Hong Kong and the Chinese side have put forward many criticisms and opinions on the package, but Patten has not returned to the correct path. At first, from February this year, China and Britain consulted with each other through diplomatic contact for the resumption of talks. However, on 12 March, Patten gazetted his constitutional package and, as a result, broke the consultations. Zhang Junsheng criticized Patten, saying that it was absolutely unreal for Patten to claim that he was willing to seek consultations with the Chinese side.

When asked about the issue which the National People's Congress [NPC] had approved the establishment of the

preliminary work organ for the preparatory committee of the Hong Kong Special Administrative Region [SAR], Zhang Junsheng said: According to the decision made by a NPC session, the Hong Kong SAR Preparatory Committee will be established only in 1996, and what is now founded is the preliminary work organ for the Hong Kong SAR Preparatory Committee, which has been approved by the present NPC session.

When talking about the new airport issue, Zhang Junsheng pointed out: This is all because the financial package proposed by the British Hong Kong Government has overstepped the Memorandum of Understanding, so the Chinese and the British side have to hold further consultations. But so far, the British Hong Kong Government has not yet proposed a financial package which realistically accords with the stipulations of the Memorandum of Understanding. Therefore, as far as the delay of the airport issue is concerned, the British Hong Kong Government is the only one to blame.

Patten Lacks 'Sincerity' on Talks

*HK0104151693 Hong Kong ZHONGGUO TONGXUN
SHE in Chinese 1314 GMT 1 Apr 93*

[By correspondent Hong Wen (3126 2429)]

[Text] Hong Kong, 1 Apr (ZHONGGUO TONGXUN SHE)—Some of the Hong Kong affairs advisers had stated before they embarked on the trip to Beijing this afternoon that, to help achieve a smooth transition of Hong Kong, they are going to reflect to Chinese officials the views of different circles in Hong Kong on affairs concerning the transition. Zhang Junsheng, XINHUA NEWS AGENCY Hong Kong Branch deputy director, who came to the airport to see these advisers off, pointed out that although Hong Kong Governor Chris Patten claimed repeatedly that he was seeking consultation with the Chinese side, he did not make them with sincerity; and he hoped that Chris Patten would not take as his credo the saying "lies repeated 100 times become truth."

Thirty-five of the second group and 16 of the first group of Hong Kong affairs advisers left for Beijing this afternoon to attend a credential award ceremony and a seminar on Hong Kong affairs.

One newly appointed Hong Kong adviser, Ngai Shiu-kit, who comes from the industrial and commercial sectors, stated that he would reflect the wish that economic development should not be hampered by political disputes and urged Hong Kong people to rally round to work for a smooth transition. Allen Lee, chairman of the Liberal Party preparatory committee, is hoping that China and Britain can clear all difficulties and resume talks as soon as possible to achieve a smooth transfer of Hong Kong's political power in 1997.

Regarding the establishment of the Preliminary Organ for the Preparatory Committee of the Hong Kong Special Administrative Region, Hong Kong adviser Cheng Kai-nam, secretary general of the Democratic Alliance

for the Betterment of Hong Kong, believed that candidates for the organ should include as many people as possible from different strata and political bodies, should listen to a wide spectrum of opinions from Hong Kong people, and operate in an open and transparent manner.

After seeing off the Hong Kong affairs advisers, Zhang Junsheng pointed out that after the Hong Kong governor has ruined the original diplomatic discussions between China and Britain by gazetting his constitutional reform package, he is as now claiming that he is willing to seek consultation between China and Britain; this is entirely untruthful. As for the new airport issue, Zhang Junsheng pointed out that British Hong Kong should be held accountable for the delay as the British Hong Kong Government has so far failed to put forward a financial arrangement for the new airport that conforms with the provisions of the Memorandum of Understanding.

Former Acting Governor Discusses Appointment

XINHUA Interview

OW0104145093 Beijing XINHUA Domestic Service in Chinese 0746 GMT 1 Apr 93

[By reporters Li Zhigao (2621 1807 7559) and Zhao Jimin (6392 3381 3046)]

[Text] Hong Kong, 1 Apr (XINHUA)—David Akers-Jones, former acting governor of Hong Kong, who has accepted an appointment as advisor for Hong Kong affairs, said he would strive to work for the smooth transition of power and the development of prosperity in Hong Kong. He made the remarks when he was interviewed by reporters.

Akers-Jones is a British subject and has been living in Hong Kong for 36 years. He was chief secretary of the Hong Kong Government from 1986 to 1988, and was acting governor of Hong Kong for five months after Governor Edward Youde suddenly died. In early March this year, he resigned as chairman of the Hong Kong Housing Committee.

On the eve of his departure for Beijing to accept his appointment as an advisor for Hong Kong affairs, Akers-Jones gave an exclusive interview to a XINHUA reporter. He said: "I will do my best to strengthen cooperation and understanding between Hong Kong and Mainland China." "As a foreigner who has spent most of his life in Hong Kong, maybe I can offer my opinion from a different angle and my experiences may be useful," he added.

He said: "My acquaintances in Hong Kong and my British friends have all supported and are happy about my assuming the post of an advisor for Hong Kong affairs. I am convinced that selecting advisors for Hong Kong affairs from various circles will be conducive to strengthening the link between China and various circles

in Hong Kong. This also shows the Chinese Government's willingness to extensively solicit opinions from people in Hong Kong."

Commenting on Hong Kong's current political development, Akers-Jones said: "Talks are the best way to get out of the present predicament. We should return to the agreement reached between the Chinese and British foreign ministers." He said: "The seven letters exchanged between the two foreign ministers in the early nineties have reached an understanding on the issue of the election of the Legislative Bureau in Hong Kong."

Akers-Jones said he hoped that Hong Kong's political power could be transferred without much of a shock [zhen dang 7201 5616] in 1997. He said: "To Hong Kong residents, 30 June 1997 will be an important day. Another important thing is to do our best to protect and develop prosperity in Hong Kong, and raise Hong Kong residents' standard of living." Akers-Jones expressed that he has full confidence in Hong Kong's future, because the Sino-British Joint Declaration, the Hong Kong Basic Law, and other related regulations have already determined the future of Hong Kong.

Defends Role as Adviser

PM0104161293 London THE DAILY TELEGRAPH in English 1 Apr 93 p 14

[Statement by Sir David Akers-Jones, former acting Governor of Hong Kong: "This Is Why I Am Helping Beijing"]

[Text] Now that the full list of Hong Kong people appointed to be advisers to China on Hong Kong affairs has been announced, my own appointment and decision to accept can be seen in more perspective.

The 49 names include those who have been active in political life for many years, vice-chancellors and leading academics, labour union and district representatives, professional and business men.

China has not appointed those "liberals" who advocate a confrontational approach and a departure from existing arrangements for elections in 1995. Some of these arrangements were contained in an agreement, albeit in principle, in letters exchanged in early 1990 by the foreign ministers of the United Kingdom and China.

There were also well-justified assumptions by the Chinese government that other aspects of the elections would follow the precedents of previous elections. The exclusion from the list of advisers of those who oppose these agreements and assumptions is understandable.

The concept of a smooth transition to Chinese sovereignty is also part of the agreement reached with China. Legislators elected in 1995 would stay in office until 1999, and this was immensely reassuring to Hong Kong people. The thought that 1997 will be disrupted not just by the transfer of power to China, but also by elections,

gives rise to serious misgivings and will emasculate the government of Hong Kong in the last years of British rule.

I realise and accept that I am vulnerable, that I have been and will be criticised, particularly by those who because they are so far away are unfamiliar with the feelings of the people of Hong Kong. But I have had nothing but "thumbs up" signs publicly and privately from people all over Hong Kong. I believe it has brought some comfort to people that a "foreign devil" they have known for over 30 years has been appointed.

When some channels of communication are failing, other channels must be opened. This is what Beijing's Hong Kong advisers are for. They are important because the arrangements for the first Hong Kong government after 1997 will be finalised in 1996, a year before the transfer of sovereignty. Between now and then, China needs help and advice so it can achieve a greater understanding of so many aspects of Hong Kong life and development.

As a former civil servant, I am most concerned about the morale of the civil service team which will become the backbone of the administration of the post-1997 government. Beijing recently assured civil servants about their position and future careers, and I hope they will feel more relaxed as a result of these statements.

I have been very much involved over the years in our political development and I have experience of our social needs, most recently from having served as head of the Housing Authority for the past five years. From my years in Hong Kong I also know how absolutely vital the development of our infrastructure is to the territory's future prosperity and that, for the sake of our future economy, a new airport, new container port facilities, and more cross-border links are essential. These developments need co-operation with China. We must try to improve understanding over these important projects.

As someone who has lived in Hong Kong for a long time, I am, like everyone else, sad and uneasy that relations between the United Kingdom and China over Hong Kong have deteriorated to their present low point. It is delaying development and it could ultimately damage trade and affect real opportunities for British firms to participate in the infrastructure development which is needed not only in Guangdong province but all over China. The needs are great and so are the opportunities.

To strengthen understanding between Hong Kong and China and to advise Beijing on Hong Kong affairs is not only to Hong Kong's advantage but to Britain's as well. The way forward is via successful negotiation leading to the degree of co-operation hitherto recognised as necessary by the two sovereign governments.

My concern is for the six million people of Hong Kong and that is why I have agreed to become an adviser to China. It is why I believe that current British policy in

Hong Kong, which was adopted six months ago, is wrong. We have gone off the rails and I want to get us back on track.

Pro-China, Rural Figures To Form Party

HK0104034093 Hong Kong SOUTH CHINA MORNING POST in English 1 Apr 93 p 2

[By Lana Wong]

[Text] A new party comprising prominent pro-China and rural figures will be set up this year with the aim of preserving Hong Kong's stability.

The party will evolve from the Federation for the Stability of Hong Kong, whose leadership has been dominated by prominent rural and pro-China figures.

Among them are legislator and chairman of the Heung Yee Kuk, Mr Lau Wong-fat, the chairman of the Regional Council, Mr Cheung Yan-lung, kuk member Mr Chan Yat-sun and kuk adviser Mr Kan Fook-ye. All are also Hong Kong affairs advisers to China.

The federation's secretary-general, Mr John Ho Tung-ching, denied the move was to prepare for the setting up of the "second stove" by China before 1997, saying it was just a natural development in response to political changes.

Mr Ho said neither China nor other organizations had been consulted on whether to go ahead with the party formation plan.

An electoral affairs committee was formed to prepare for the new party and map out strategies for the 1994-95 elections.

Since its inception in 1991, the federation's membership has grown from 124 to 1,000.

Of those, 15 are members of China's National People's Congress and Chinese People's Political Consultative Conference and are Hong Kong affairs advisers.

One-fifth of members are members of the kuk and rural committees and another 75 are members of the three tiers of government.

The federation has pledged to support the Sino-British Joint Declaration and the Basic Law and to promote political and economic developments conducive to preserving prosperity and stability in the territory.

About a dozen members also hold membership in other political parties or groups.

Mr Lau and Mr Cheung, the federation's vice-chairman, are members of the preparatory committee of the Liberal Party, which does not allow cross-membership.

If forced to choose between the two parties, Mr Cheung said he would prefer to stay with the federation's party

because many of his life-long friends were its members while Mr Lau had yet to decide.

But Mr Lau ruled out the possibility the two parties might merge.

Macao

Law Committee Hails Adoption of Basic Law

OW0204013393 Beijing XINHUA in English 1529
GMT 1 Apr 93

[Text] Macao, April 1 (XINHUA)—The Basic Law Consultative Committee of the Macao Special Administrative Region today held a seminar to mark the official adoption of the Basic Law by the Chinese National People's Congress.

Cui Deqi, chairman of the committee, said the Basic Law is the guarantee of the long-term stability and prosperity in Macao, which reflects the aspiration of the Macao people.

The adoption of the Basic Law indicates that Macao is now entering a new period of history—the latter half of the transitional period, he said.

Cui urged the Macao people of all walks of life to continue to publicize and support the Basic Law to ensure a smooth transition in the territory.

Enterprise Aids Commercial Culture Study

OW0104133493 Beijing XINHUA in English 1320
GMT 1 Apr 93

[Text] Beijing, April 1 (XINHUA)—The Macao Ruina Enterprise Group donated 1.68 million Hong Kong dollars today to the China Research Association of Commercial Culture to boost the state's study in this field.

According to Fu Limin, deputy director of the association, since the association was established last year, it has enjoyed strong support from compatriots in Hong Kong, Macao and Taiwan. They have expressed their hopes for state's economic development through offering financial donations and raising constructive suggestions to the association.

The booming market economy in China demands an advanced commercial culture, said the director.

Though commercial culture has existed in China for over 5,000 years, it has been long neglected because of the prejudice against commercial management. Study on the field remains underdeveloped and it will inevitably hamper the growth of the state's market economy.

Wen Ruifen, general manager of the Macao Ruina Enterprise Group, said "we feel encouraged and proud of the motherland's economic achievements. We believe in the concept that the vigorous study on the state's rich and long commercial culture will surely promote the development of market economy."

To boost research of commercial culture and strengthen international exchange, a series of academic activities will be held this year, including the convening of the '93 China International Symposium this October to be co-sponsored by the Association and the Macao Ruina Enterprise Group, said the deputy-director.

Correction to New Advisors Discuss Affairs

OW3103051793

The following correction pertains to the item headlined "New Advisers Discuss Hong Kong Affairs," published on pages 84-85 of the 30 March China DAILY REPORT:

Page 85, column one, third paragraph, last sentence, should read: "...political stability in the latter part of the transitional period." [new paragraph]

The 43-year-old.... (changing "post-transitional" to "transitional");

Same page, column two first partial paragraph, last sentence, should read: "...during the latter part of the transitional.... (changing "half" to "part");

Same paragraph, same sentence, should read: "...earnestly and objectively. [new paragraph]

Chen Wanxian, who has successfully.... (changing name from "Chen Wanlan" to "Chen Wanxian");

Same page, same column, last paragraph, second sentence, should read: "...two regions. Chen Wanxian believes that the.... (changing name from "Chen Wanlan" to "Chen Wanxian").

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05 April 1993

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